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Feb. 3, 1976.

Official Statement and Bond Resolution

Community Redevelopment Agency of the City of Compton.

Los Angeles County, California

1976 Walnut Industrial Park Project
Tax Allocation Bonds

\$10,000,000

Principal Amount

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COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON

Los Angeles County, California

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Allen Parker, *City Manager and Agency
Executive Secretary*

Charles Davis, *City Clerk*

Wesley Sanders, Jr., *City Treasurer*

Frank Milholland, *City Controller*

Clarence E. Blair, *City Attorney and Agency
General Counsel*

SPECIAL SERVICES

Bond Counsel

O'Melveny & Myers, *Los Angeles*

Agency Special Counsel

Joseph E. Coomes, Jr., *Sacramento*

Redevelopment Fiscal and Administrative Consultant

James G. Magner, *Los Angeles*

Financing Consultant

Hornblower & Weeks-Hemphill, Noyes Incorporated,
San Francisco

Fiscal Agent

United California Bank, *Los Angeles*

Paying Agents

The Northern Trust Company, *Chicago*
Manufacturers Hanover Trust Co., *New York*

THE DATE OF THIS OFFICIAL STATEMENT IS
FEBRUARY 3, 1976

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**THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON**

February 3, 1976

TO WHOM IT MAY CONCERN:

The purpose of this bond prospectus is to furnish information regarding \$10,000,000 par value tax allocation bonds to be issued by the Community Redevelopment Agency of the City of Compton to assist in financing its Walnut Industrial Park Redevelopment Project No. 3

This prospectus was prepared by Hornblower & Weeks-Hemphill, Noyes Incorporated as Financing Consultants to and under the direction of the Agency for the information of all who might become holders of the bonds described herein. The information herein has been reviewed by appropriate officials of the Agency as to accuracy and completeness (see "Certificate Concerning Official Statement" on page 3 of this prospectus), and the Agency has adopted this prospectus as its Official Statement in connection with the Bonds herein being offered, pursuant to a resolution dated February 3, 1976.

All of the following summaries of the Resolution of Issuance, the Community Redevelopment Law, other applicable legislation, the Redevelopment Plan, and other documents are made subject to the provisions of such documents respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Agency for further information in connection therewith. The covenants of the Agency are fully set forth in the Resolution of Issuance, and this Official Statement does not constitute a contract with purchasers of bonds. Any statements herein involving matters of opinion or estimates, whether or not so designated, are to be construed as provisional rather than factual.

The opinion of O'Melveny & Myers, Los Angeles, California, bond counsel to the Agency, will be furnished to the successful bidder (the "Legal Opinion").

Mrs. Doris A. Davis

Chairperson

CONTENTS

	<i>Page</i>
Introduction	1
The Bonds	2
Authority for Issuance	2
Description of the Bonds	2
Redemption	2
Registration	2
Legal Opinion	3
Certificate Concerning Official Statement	3
Tax Exempt Status	3
Legality for Investment in California	3
Disposition of Bond Proceeds	3
The Redevelopment Fund	3
The Special Fund	4
Bond Reserve	4
Security	4
Issuance of Short Term Notes	5
Issuance of Additional Bonds	5
Refunding Bonds	5
Investment of Funds	5
Other Covenants	6
Remedies	6
Amendment of the Resolution	6
The Community Redevelopment Agency of The City of Compton	7
Authority and Personnel	7
The Redevelopment Plan	7
The Walnut Industrial Park Project Area	8
Redevelopment	8
The Owner Participation Agreement	8
Litigation – Federal Grand Jury Indictment	12
Disposition of Bond Proceeds	12
Estimated Tax Revenues and Bond Retirement	13
Assessed Valuation and Tax Increment	13
Estimated Debt Service and Bond Coverage	14
Financial and Economic Data	15
Assessed Valuation	15
Tax Rates, Levies, and Delinquencies	15
Debt Statement	16
Summary of City Revenues and Expenditures	17
Regional Characteristics and Demographics	19
Population	19
Industry	19
Employment	20
Commerce	20
Utilities	20
Construction	21
Transportation	21
Community Facilities	21

TABLES

Table 1. Estimated Project Costs	12
Table 2. Actual and Estimated Tax Allocation	13
Table 3. Maximum Debt Service	14
Table 4. 1975/76 Assessed Valuation	15
Table 5. Representative 1975/76 Tax Rates	15
Table 6. Secured Tax Levies and Delinquencies	15
Table 7. Direct and Estimated Overlapping Bonded Debt	16
Table 8. Summary of Revenues and Expenditures	17
Table 9. Non-Agricultural Employment by Industry	20
Table 10. Taxable Sales and Sales Permits	20
Table 11. City Building Permit Valuations	21

INTRODUCTION

The Community Redevelopment Agency of Compton was activated by the City Council of the City of Compton in 1967 and the Compton Walnut Industrial Park Redevelopment Project Plan was adopted by ordinance of the City Council in August 1973 and amended in July 1974.

The project area is located in the southernmost part of the city and has the Artesia Freeway (Route 91) running directly through its center. The project is composed mostly of the Cabot, Cabot & Forbes Industrial Park which is approximately 65% complete. The entire project site is zoned industrial or commercial.

From proceeds of the \$10,000,000 1976 Walnut Industrial Park Project, Tax Allocation Bonds the Agency has an option to purchase approximately 27 acres from the Compton Unified School District which is intended for development and disposition as an auto center complex. In addition, funds will be used to construct a police facility, install utilities, curbs, gutters, streets and other necessary improvements, and to assemble and improve properties to accommodate development within the project area, as provided in the redevelopment plan. Other expenditures will be made, as described more fully herein, for engineering, legal, financing and related costs.

The Agency bonds are tax allocation bonds, payable from property taxes collected in the project area upon any increase over the 1973/74 assessed valuation of \$39,758,045. The 1975/76 assessed valuation in the project area is \$53,869,360, and the tax increment due the Agency in this year is \$1,926,118. Assuming an interest rate of 8% on the bonds (the maximum rate allowable under the law) the 1975/76 allocation is in itself sufficient to cover the first payment of principal and 1½ years interest on the bonds by more than 1.45 times. The 1975/76 allocation covers maximum annual debt service by more than 2 times.

The adjacent table reflects information shown in more detail in other sections of the official statement.

ESSENTIAL FACTS

The Bonds	
Principal amount	\$10,000,000
Maturities	1977-2001
Denominations	\$5,000
Average life	17.30 years
Bond years	172,962.5
Maturities callable 1986 or after	1987-2001
Maximum coupon rate	8%
Maximum coupon spread	2%
Maximum discount allowable	5%
Agency Financial Data	
Base year assessed valuation	\$39,758,045
1975/76 assessed valuation	\$53,869,360
1975/76 incremental assessed valuation	\$14,111,315
1975/76 total tax rate in area	\$14.34
1975/76 tax allocation to Agency	\$1,926,118
Maximum annual debt service	\$950,000
Coverage of maximum debt service by 1975/76 tax allocation	2.03
City Financial and Economic Data	
1975/76 assessed valuation	\$166,702,681
Direct bonded indebtedness (Civic Center Authority)	\$7,250,000
Direct and overlapping debt	\$19,095,827
Ratio direct debt to assessed valuation	4.35%
Ratio direct and overlapping debt to assessed valuation	11.46%
1975 population	68,700
Per capita assessed valuation	\$2,427

THE BONDS

Authority for Issuance

The \$10,000,000 principal amount of 1976 Walnut Industrial Park Project, Tax Allocation Bonds currently being offered, were authorized pursuant to Resolution No. 24 (the "Resolution") of the Compton Urban Community Development Commission, acting as the Community Redevelopment Agency of the City of Compton, and the Walnut Industrial Park Redevelopment Project No. 3 Redevelopment Plan, as amended (the "Plan"). The bonds will be issued in full conformity with the Constitution and laws of the State of California, including the Community Redevelopment Law (the "Law") and acts amending or supplementing the law.

Description of the Bonds

The bonds consist of an aggregate principal amount of \$10,000,000. They will be issued either as coupon bonds in the denomination of \$5,000 each, or as fully registered bonds in denominations of \$5,000 or any multiple thereof. The bonds are serial bonds, dated February 1, 1976, and mature on August 1, 1977 to 2001, as shown in the adjoining maturity schedule.

Interest is payable on February 1, 1977 and thereafter semi-annually on each August 1 and February 1. Interest and principal (except for interest on fully registered bonds which is payable by mailed check or draft) are payable at the main office of the Fiscal Agent of the Agency, United California Bank, in Los Angeles or San Francisco, California. The Agency is required by the resolution to appoint Paying Agents in New York, New York and Chicago, Illinois.

Redemption

The bonds maturing on or before August 1, 1986, are not subject to redemption prior to their stated maturity dates.

The bonds maturing on or after August 1, 1987, may be called before maturity and redeemed at the option of the Agency, in whole or in part, from any source of funds, on August 1, 1986, or on any interest payment date thereafter prior to maturity. If less than all of the bonds outstanding are to be redeemed at any one time, the bonds are to be redeemed in inverse order of maturity and by lot within a maturity.

Bonds called for redemption are to be redeemed at a redemption price for each redeemed bond equal to the principal amount thereof, plus the premium shown below.

MATURITY SCHEDULE

<i>Year of Maturity</i>	<i>Principal Maturing August 1</i>
1977	\$125,000
1978	150,000
1979	150,000
1980	175,000
1981	175,000
1982	200,000
1983	225,000
1984	225,000
1985	250,000
1986	275,000
1987	300,000
1988	325,000
1989	350,000
1990	375,000
1991	400,000
1992	425,000
1993	475,000
1994	500,000
1995	550,000
1996	600,000
1997	625,000
1998	700,000
1999	750,000
2000	800,000
2001	875,000

PREMIUMS AND REDEMPTION YEARS

<i>Premium</i>	<i>Redemption Year</i>
3 %	1986
2½%	1987
2 %	1988
1½%	1989
1 %	1990
½%	1991
0 %	1992-2001

Registration

Two forms of bonds have been provided: (1) those which are in negotiable form, payable to bearer with negotiable coupons ("bearer bonds"); and (2) non-negotiable fully registered bonds payable to the registered owner ("fully registered bonds"), each in denominations of \$5,000 or any multiple thereof. The bearer bonds are not registrable by endorsement, but bearer bonds and fully registered bonds may be exchanged as provided in the Resolution. No such exchange shall be made between the fifteenth day preceding any interest payment date and such interest payment date.

Legal Opinion

The legal opinion of Messrs. O'Melveny & Myers, Los Angeles, California ("Bond Counsel") approving the validity of the bonds will be supplied free of charge to the purchasers at the time of the original delivery of the bonds. A copy of the legal opinion will be printed on each bond without charge to the successful bidder.

The statements of law and legal conclusions set forth herein under the captions "Authority for Issuance", "Description of the Bonds", "Redemption", "Registration", "Certificate Concerning Official Statement", "Tax Exempt Status", "Legality for Investment in California", "Disposition of Bond Proceeds", "The Redevelopment Fund", "The Special Fund", "Bond Reserve", "Security", "Issuance of Short Term Notes", "Issuance of Additional Bonds", "Refunding Bonds", "Investment of Funds", "Other Covenants", "Remedies", and "Amendment of the Resolution" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal proceedings required for the authorization of the bonds and to rendering opinions as to the validity of the bonds and the exemption of interest on the bonds from income taxation. The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the bonds not mentioned in this paragraph.

Clarence E. Blair, Esq., City Attorney and Agency General Counsel, will opine regarding the legal status of the Owner Participation Agreement (herein discussed in detail), including the fact that said agreement constitutes a legal, valid and binding obligation of the City and the Agency.

Certificate Concerning Official Statement

At the time of payment for and delivery of the bonds, the Agency will furnish the successful bidder a certificate, signed by appropriate officers of the Agency acting in their official capacity, to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the Official Statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (b) since the date of the Official Statement no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the Agency since the date of such Official Statement.

Tax Exempt Status

In the opinion of bond counsel, interest on the bonds is exempt from all present federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment in California

The Community Redevelopment Law provides that bonds authorized and issued in the manner and for the purpose of the bonds shall be legal investments for all banks, including trust companies and savings banks, insurance companies, and various other financial institutions, as well as for trust funds. The bonds are also authorized security for public deposits under the law.

The Superintendent of Banks of the State of California has previously ruled that bonds of a redevelopment agency are eligible for savings bank investment in California.

Disposition of Bond Proceeds

Bond proceeds will be placed in the Redevelopment Fund, held by the Agency's Treasurer, except that accrued interest and premium paid, if any, will be transferred to the Fiscal Agent and placed in the Special Fund in the Bond Interest Account; and a sum equal to the Maximum Annual Debt Service will be transferred to the Fiscal Agent and placed in the Special Fund in the Reserve Account. An amount of \$2,829,222, the purchase price for certain properties to be acquired by the Agency, will be deposited directly into an Acquisition Escrow provided for in a separate agreement between the Agency and the sellers of the property.

The Redevelopment Fund

The moneys set aside and placed in the Redevelopment Fund are to be expended for the cost of the redevelopment project and other costs related thereto. Estimated expenditures from the Redevelopment Fund are summarized in Table 1.

The Special Fund

All Tax Revenues, as defined under the heading "Security," below, are to be deposited in the Special Fund, held by the Fiscal Agent and pledged to payment of the principal and interest on the bonds, subject to the terms and conditions of the Resolution. Interest earned on the investment of moneys in the Special Fund accrues to the fund.

The Tax Revenues accumulated in the Special Fund shall be used in the following priority:

1. For deposits into the Bond Interest Account for current bond interest payments;
2. For deposits into the Bond Payment Account for current bond principal payments;
3. For additional deposits into the Bond Interest Account so that the balance in said Account shall equal the amount of one year's interest on the bonds one month prior to any interest payment date;
4. For deposits into the Reserve Account so that the balance in said Account shall equal the Maximum Annual Debt Service (initial complete deposit made from bond proceeds);

Failure to make any deposit under 3 and 4, above, is not to be considered an event of default, if Tax Revenues are insufficient therefor, but the by-passed deposits are cumulative and are required to be made as soon as Tax Revenues are sufficient therefor.

If all of the deposits have been made, surplus Tax Revenues may be used for the purchase or call of bonds or for any other lawful purpose, but only if (1) Tax Revenues for the current fiscal year equal at least 1.25 times Maximum Annual Debt Service on all bonds, parity bonds and any loans, advances, or indebtedness payable from Tax Revenues on a parity with the bonds, pursuant to Section 33670 of the Law, as shown by the certificate

or opinion of an independent accountant, and (2) there has been no material change in the status of the Redevelopment Project which would be likely to result in the diminution of the increment in the succeeding fiscal year, as certified by an independent Redevelopment Fiscal and Administrative Consultant to the Agency and filed with the Fiscal Agent.

Bond Reserve

An amount equal to the Maximum Annual Debt Service is to be maintained in the Reserve Account as a bond reserve.

Security

Under provisions of the California Constitution, the Law and the Resolution, and the Plan, taxes on all taxable property in the redevelopment project area levied and collected by any taxing agency will be divided as follows:

1. An amount each year equal to the amount which would have been produced by that year's tax rates applied to the assessed valuation of such property within the redevelopment project area last equalized prior to the effective date of the ordinance approving the Redevelopment Plan, as amended (the 1973/74 assessment roll) will be paid into the funds of the respective taxing agencies;
2. Taxes received over and above that amount as a result of the increases in assessed valuation (the "Tax Revenues"), will be deposited in the Special Fund of the Agency.

The bonds are specifically secured only by a pledge of the Tax Revenues. Moneys in the Special Fund are pledged to the payment of the bonds, subject to the terms and conditions of the Resolution. The Agency has no power to levy and collect taxes, and any legislative property tax de-emphasis, or provision of additional sources of income to taxing agencies having the effect of reducing the property tax rate, must necessarily reduce the amount of Tax Revenues

that would otherwise be available to pay the principal of, and interest on, the bonds. Likewise, broadened property tax exemptions, if not reimbursed to local governments by the state, could have a similar effect.

Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would necessarily increase the amount of Tax Revenues that would be available to pay principal and interest on the bonds.

The constitutionality of California's public school financing system has been challenged in litigation now pending. Until the case is resolved, it cannot be determined what effect, if any, there will be on tax allocation financing.

Among the elements providing special protection to the bonds is a Reserve Account equal to Maximum Annual Debt Service on the bonds.

The bonds are not a debt of the City of Compton, the State of California, or any of its subdivisions, and neither said city, state nor any of its political subdivisions is liable therefor. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limit or restriction.

Issuance of Short Term Notes

For additional security to the bondholder, to provide against any short term gap that could develop between debt service requirements and receipt of Tax Revenues as a result of a change in the date or dates upon which the Tax Revenues are paid into the Special Fund, the Agency has the power to issue prior lien short term notes to finance bond service, repayable from Tax Revenues in the same fiscal year.

No other obligations payable from Tax Revenues will be issued having a lien upon the Tax Revenues superior to the bonds, except as permitted by the resolution regarding such short term notes or refunding bonds.

Issuance of Additional Bonds

Additional tax allocation bonds on a parity with the bonds may be issued to pay costs of the project provided:

1. The Agency is in compliance with all covenants set forth in the Resolution.
2. Tax Revenues produced from the most recent assessed valuation of taxable property in the redevelopment project area (plus, at the option of the Agency, estimated additional Tax Revenues to be received within any of the next three years following the date the computation is made, due to increases in assessed valuations, based on construction in progress, as shown by a certificate or opinion of an independent Redevelopment Fiscal and Administrative Consultant) are at least equal to 1.25 times the proposed Maximum Annual Debt Service.
3. Bond proceeds are deposited in the Reserve Account in an amount sufficient to bring the Reserve Account up to the proposed Maximum Annual Debt Service.
4. The additional bonds mature on August 1 and interest thereon is payable on the same dates as on the previously issued bonds. The additional bonds are to be callable not earlier than August 1, 1986.

Refunding Bonds

The Agency may issue refunding bonds for the purpose of paying or retiring outstanding bonds subject to their applicable redemption provisions.

Investment of Funds

All moneys in the Redevelopment Fund and all moneys held by the Fiscal Agent pursuant to the Resolution, including time or demand deposits, must be secured at all times by obligations eligible to secure deposits of public moneys and must be of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund may, and upon written request of the Agency shall, be invested as provided by law. Under the terms of the Resolution, Redevelopment Fund investments must mature not later than the dates estimated by the Agency that such funds will be required. Special Fund investments must mature in such a manner as to assure that moneys will be available to meet debt service payments as required.

Other Covenants

Other covenants of the Agency under the Resolution are summarized below:

1. The project will be completed with all practicable dispatch in a sound and economical manner and in accordance with the Redevelopment Plan and the Community Redevelopment Law. The Redevelopment Plan may be amended as provided in the law but no amendment shall be made which would substantially impair the security of the bonds or the rights of the bondholders, as shown by an opinion of counsel.
2. The Agency will manage and operate all properties owned by it and comprising any part of the Redevelopment Project in a sound and businesslike manner.
3. The Agency will punctually pay, or cause to be paid, the principal and interest becoming due on the bonds.
4. The Agency will punctually pay, or cause to be paid, any lawful governmental charges imposed and all claims for labor, materials and supplies which if unpaid might become a lien or charge which might impair the security of the bonds.
5. The Agency will at all times keep, or cause to be kept, proper and current books and accounts (separate from other records and accounts) in which complete and accurate entries will be made of all transactions relating to the redevelopment project and the Tax Revenues, and will prepare within 120 days after the close of each fiscal year a complete financial statement covering the redevelopment project and Tax Revenues, certified by a certified public accountant selected by the Agency, copies of which will be furnished to any bondholder upon written request.
6. The net proceeds realized by the Agency from any eminent domain

proceeding will be deposited in the Special Fund for the purpose of paying principal and interest on the bonds.

7. The Agency will not dispose of more than 10% of the land area in the redevelopment project area to public bodies or other entities whose property is tax exempt (other than property shown by the Redevelopment Plan as planned for such ownership, such as parks, civic center sites, historical sites and schools, or property to be used for public streets, off street parking, sewage facilities, utility easements and the like) if as a result of such action the security of the bonds or the rights of the bondholders will be substantially impaired (in the opinion of an independent Redevelopment Fiscal and Administrative Consultant).
8. The Agency will protect and defend the security of the bonds and the rights of the bondholders and will take no action to impair the tax exempt status of the bonds.

Remedies

Any bondholder has the right of mandamus or other appropriate remedy to compel the performance by the Agency and its members of the duties imposed by the Resolution and by the Community Redevelopment Law.

Amendment of the Resolution

The resolution may be modified or amended only with the consent of holders of 60 percent of all bonds and additional bonds then outstanding (exclusive of issuer-owned bonds), unless the modification or amendment is for the purpose of curing ambiguities, defects, etc. having no adverse effect on bondholder rights, in which case no bondholder's consent is required. No modification or amendment will extend the maturity, reduce the interest rate or principal amount payable or reduce the percentage of consent required for amendment without the express consent of the bondholder.

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON

Authority and Personnel

The Community Redevelopment Agency of the City of Compton (the "Agency") was activated in 1967 by an Ordinance of the City Council pursuant to the California Community Redevelopment Laws (Section 33000 et seq. Health and Safety Code). The Compton Urban Community Development Commission (the "Commission") was activated in 1975 by an ordinance of the City Council pursuant to Part 1.7 of Division 24 (Section 34100 et seq.) of the Health and Safety Code, and, pursuant to said Part, acts as the Governing Board of the Compton Redevelopment Agency. Members of the City Council sits as the Governing Board of the Commission.

The present Chairman of the Commission and the Agency is the mayor of the city, Mrs. Doris A. Davis. Prior to being elected mayor, Mrs. Davis served as the Compton City Clerk for eight years. Mrs. Davis has degrees in education from the University of Illinois, University of Chicago and Northwestern University.

The city manager, Mr. Allen Parker, serves as the Agency's executive secretary with Ms. Laverta Montgomery serving as executive director. The Agency operates two projects other than the Walnut Industrial Park Redevelopment Project, both of which are partially financed by funds of and guarantees provided by the Department of Housing and Urban Development.

As of December 31, 1975, the Agency had outstanding a project loan relating to Projects 1 and 2, represented by

project loan notes of \$7,850,000, repayment of which is guaranteed by HUD. The project notes mature in March of 1976. The Agency anticipates that it will refinance the loan for an additional 90 day period, after an approximate \$180,000 reduction in principal. Said loan is anticipated to be repaid in due course from Federal grants, land sale proceeds and other revenues from said projects 1 and 2. Said loan or other loans or obligations of the Agency relative to projects other than the Walnut Industrial Park Project No. 3 have no claim on the Tax Revenues or other funds securing the bonds herein being offered or Additional Bonds of Project No. 3.

The Agency utilizes both city departments and private firms to handle legal, fiscal, planning and engineering matters.

All powers of the Agency are vested in the Governing Board. The Agency is a separate public body and exercises governmental functions in planning and carrying out redevelopment projects.

The Agency can cause on and off-site improvements to occur, acquire and re-sell property, construct public buildings and provide services to the project area.

The Redevelopment Plan

The City Council of the City of Compton adopted Ordinance No. 1437 on August 28, 1973, which established a redevelopment plan for the Walnut Industrial Park Redevelopment Project No. 3. The Plan, as amended in July 20, 1974, is designed to enable the Agency to eliminate and prevent the spread of blight in the project area. The Plan authorizes the Agency to pursue that objective by any or all of the following methods:

1. Acquisition of certain real property;
2. Demolition or removal of certain buildings and improvements;

3. Rehabilitation of certain structures by private enterprise or public agencies for use in accordance with this plan;
4. Relocation assistance to displaced residential and non-residential occupants, if any;
5. Installation, construction, reconstruction, redesign of streets, utilities, and other public improvements;
6. Disposition of property acquired for uses in accordance with this plan;
7. Redevelopment of land by private enterprise or public agencies for use in accordance with this plan;
8. Action or reaction to environmental deficiencies created by the acts of any other public bodies within the project boundaries;
9. Grading and installation of required improvements, utilities and facilities on acquired land where it is in the best interest of the public;
10. Vacation and abandonment of certain streets, alleys, and other thoroughfares consistent with the objectives of this plan;
11. Action or reaction to traffic circulation problems that may result from the actions of other public bodies in the project area;
12. Construction or reconstruction of any public facilities consistent with the objectives of this plan.

Under an owner participation agreement (discussed in detail herein) and from proceeds of the bonds presently

being offered, the Agency is initiating the implementation of the objectives of the Plan. After development, the plan specifies that the administrative enforcement of the goals and objectives be performed by actions of both the city and the Agency, and the Plan specifically provides that its terms and conditions may also be enforced by court litigation instituted by either the Agency or the city. Among other conditions, the Plan provides that traffic circulation will be improved for residents of the project area and surrounding areas, that there will be no detrimental environmental quality effect upon the residents of the project area and surrounding areas, and that project activities will include the upgrading of the physical and social quality of the neighborhood through improved lighting, increased parking, and other improvements.

The Walnut Industrial Park Project Area

The project area is located in the southernmost part of the city. The project generally is bounded by the city limits on the south, Central Avenue on the west, Greenleaf on the north, and Santa Fe on the east. The Artesia Freeway runs through the center of the Project.

The project area is mainly a new industrial park characterized by landscaping and an abundance of open space and controlled by an appropriate set of standards instituted by its developer, Cabot, Cabot and Forbes. The map on pages 10 and 11 shows the location of the park and the park industrial plan.

Outside of the industrial park on its eastern boundaries industrial development has been sporadic and is characterized by unsightly structures, inadequate parking for employees, vacant lots, poor landscaping, and aged structures. There is no buffer between these structures and the

approximately 70 acres of vacant land within the industrial park bordering this area on the west.

Redevelopment

The Agency has executed an option with the School District for a surplus school site for a price of \$1,560,000 for 27 acres. The Agency intends to develop this property and certain land to be acquired from Cabot, Cabot and Forbes into an auto center complex. Six major auto dealers have expressed an interest in locating in this freeway-oriented site. From the proceeds of the bond sale, approximately \$1,100,000 will be earmarked for site improvements. According to estimates by the Agency's Redevelopment Fiscal and Administrative Consultant, the Agency anticipates additional incremental revenue of approximately \$100,000 annually when the auto center is completed.

Preliminary negotiations are underway with the Compton auto dealers, and the Agency has commenced preliminary studies and planning for development of the auto center, looking toward occupancy during the 1977 model year. Preliminary development plans for this area call for the development of between six and sixteen auto dealers, motorcycle retail stores, car wash, service stations, banks, recreational vehicle retail stores, and a restaurant.

The Agency, Cabot, Cabot and Forbes, and John Hancock Insurance Company have executed an owner participation agreement (discussed more fully hereafter) whereby the Agency will acquire 43 acres of property on the eastern portion of the project area.

The Agency has, as part of the owner participation agreement, agreed to acquire a site within the project area and immediately begin construction of a police station. This is expected to add to the stability and security of the area.

The Walnut Industrial Park, under the control of Cabot, Cabot and Forbes is approximately 65% complete. The project area represents more than 30% of the city's total assessed valuation. One of the main purposes of the owner participation agreement is to effect complete development of the area.

The Owner Participation Agreement

Future development within the project area will occur as a result of an agreement between the Community Redevelopment Agency, Cabot, Cabot and Forbes Los Angeles Industrial Center, Inc., CC&F Los Angeles Properties, Inc., (collectively "CC&F") and John Hancock Mutual Life Insurance Company ("Hancock"). Proceeds of the tax allocation bond issue will be used, in part, by the Agency to fund its obligations under the agreement.

The agreement provides for the acquisition by the Agency of property within the project area for development in accordance with the redevelopment plan, and for the participation of Hancock and CC&F within the project area. The Agreement also provides for certain expenditures and improvements by the Agency within the project area in order to induce private development which will benefit the Project, implement the Redevelopment Plan, and produce additional tax increments.

The Agreement contemplates that funds will be available to the Agency for the purchase of properties within the project area and the making of improvements under the Agreement from the proceeds of a tax allocation bond issue. Delivery of bond proceeds is anticipated on or before February

28, 1976. The Agreement further provides that if for any reason bonds are not issued and sold by that date, there shall be alternate procedures for the staged purchase of the property, its development, and the making of public improvements by the Agency within the project area, based upon alternate sources of borrowing or annual allocations of tax increments to the Agency from the project area.

The Agency has agreed to purchase from CC&F and Hancock five parcels of property within the project area, including a police substation site, for a total price of \$2,829,222, which is the agreed total fair market value of the property. Three parcels are to be conveyed to the Agency free of the recorded industrial park restrictions but with a condition that they may not be used for industrial uses of a nature existing in the industrial park for a period of 18 months. The police substation site is to be improved as a police substation as soon as possible. The other parcel will remain subject to the recorded industrial park restrictions.

Promptly upon the close of escrow, the Agency agrees to construct a police substation, estimated to cost \$200,000. The construction contract is to be let within 90 days and construction is to be completed within 13 months from the close of escrow. The police substation will be a one-story structure containing at least 4,000 square feet, similar in architectural style to the existing fire station located adjacent to the police substation site. The construction and operation of the police substation within the project area is expected to enhance the value of the property in the project area and facilitate completion of the industrial park. The Agreement contemplates that the City of Compton will maintain and operate the police substation for at least 20 years from the date of the Agreement on a 24-hour basis. The Agency agrees to use its best efforts to cause the City of Compton to so

maintain and operate the police substation. In the event that the city does not do so, the Agreement provides for the Agency to either make available to the city sufficient funds from the annual tax increments to enable the city to maintain the police substation or to maintain the police substation with other qualified personnel to the extent it is legally able to do so, using for such purpose tax increments from the project area.

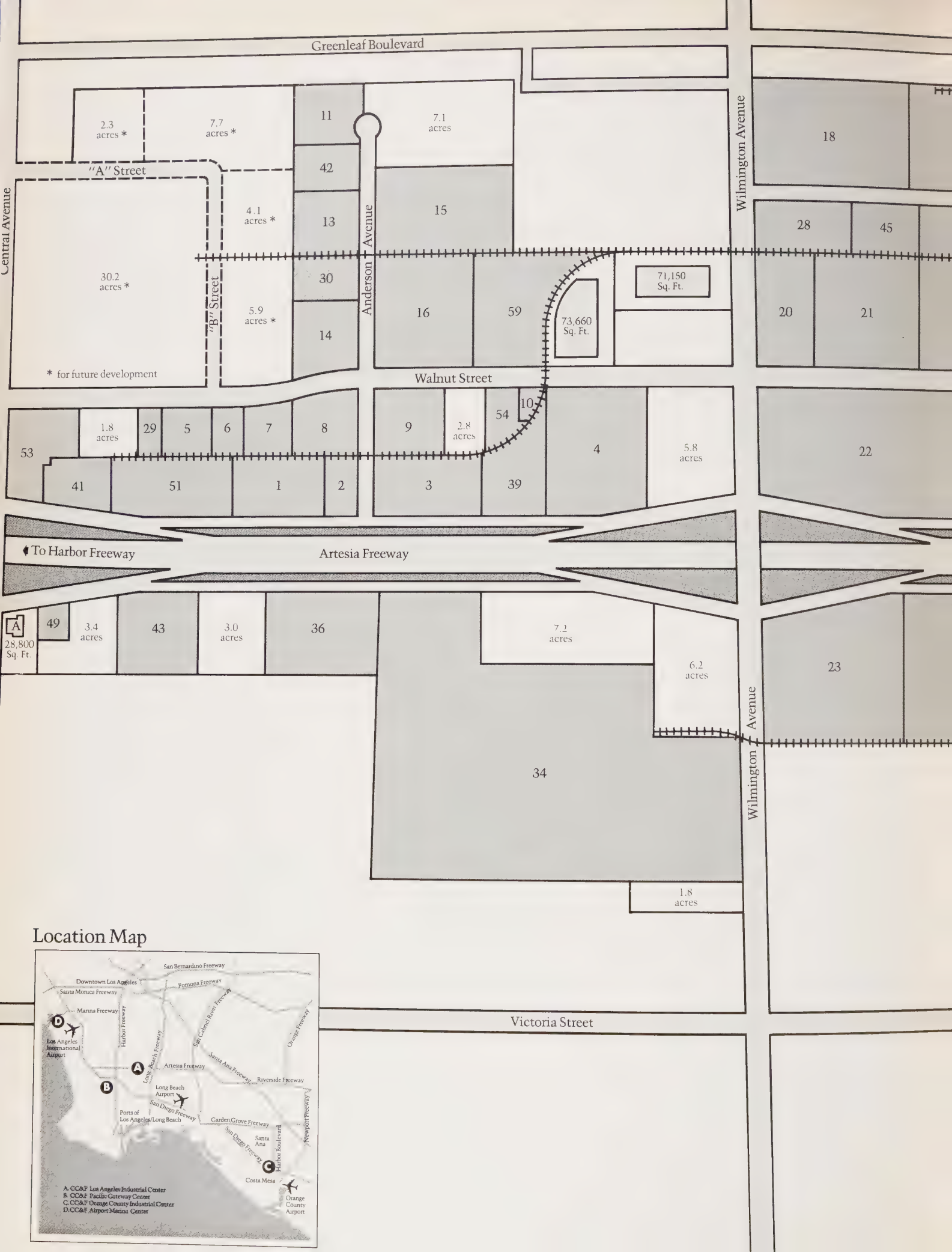
The Agreement further provides that in order to implement the Redevelopment Plan and make possible the earliest possible completion of development of the industrial park in the project area, the Agency shall make additional public improvements in the project area, including but not limited to public streets and utilities and off-site improvements, at a total cost to the Agency of \$650,000, subject to all of the following conditions: (1) any of such improvement shall be made after January 1, 1977; (2) tax increments not otherwise pledged to secure payment of bonds and bank loans in accordance with other sections of the Agreement shall be available to the Agency for such purposes or it shall be feasible for the Agency to issue and sell additional tax allocation bonds to obtain additional funds for such purposes; and (3) each such improvement shall be made only upon an express finding by the Agency, together with such reasonable assurances from CC&F that shall be necessary to support such a finding, that the making of improvements by the Agency will result in immediate and direct development thereafter of additional parcels in the industrial park and the project area having a taxable value when completed sufficient to result

in the generation of additional taxes from the project area to the Agency, for repayment of the Agency's tax allocation bonds, in an amount sufficient to amortize the total cost to the Agency (including bond interest and amortization) attributable to the making of such improvements. The provision is to be construed liberally such that after the acquisition of property by the Agency under the Agreement, a high priority of 60% of the otherwise unpledged tax increment received each year by the Agency from the project area, up to an aggregate of \$650,000, shall be used for these improvements.

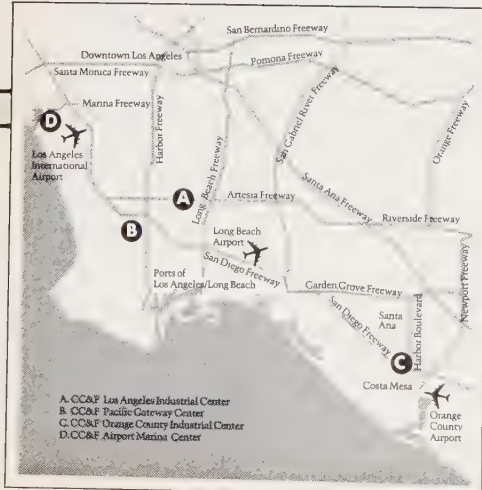
The Agreement provides for renaming the Redevelopment Project Area the "Walnut Industrial Park" by recorded amendment to the Redevelopment Plan. The Agency adopts the industrial park recorded restrictions as implementing the Redevelopment Plan for future development and agrees that property developed in accordance therewith shall be deemed conforming property under the Redevelopment Plan.

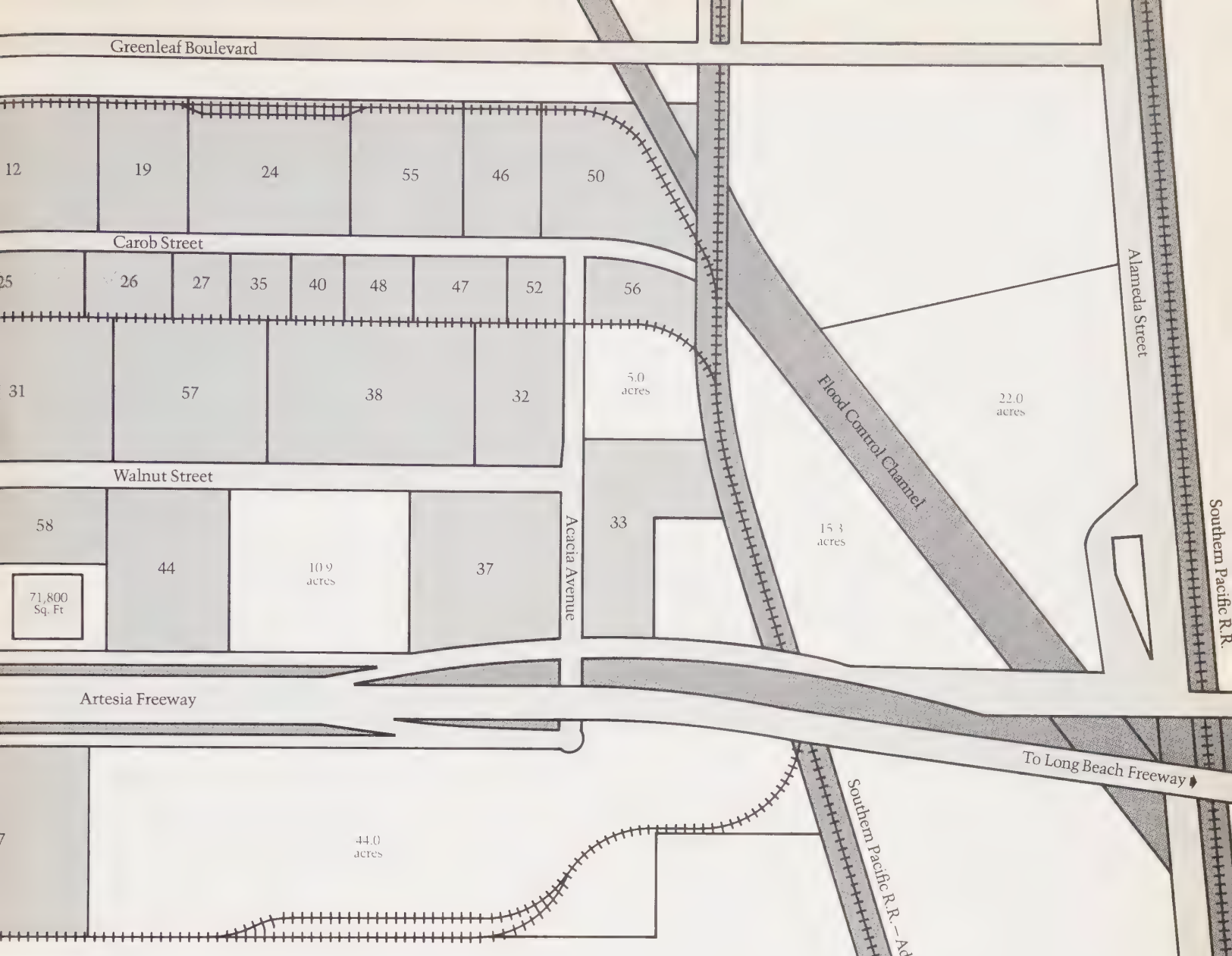
The agreement contains other provisions for the performance of the obligations of the parties if bonds are not sold, and also contains provisions regarding timing of development, instructions to the escrow agent title company, etc. Copies of the agreement are on file with the Agency and will be made available for review upon request.

Mr. Clarence E. Blair, City Attorney and Agency General Counsel, has rendered a legal opinion to the effect that the Agreement constitutes a legal, valid and binding obligation of the city and the Agency, respectively, in accordance with its terms and has been duly and validly authorized by the City Council and by the Agency.



Location Map





Companies in The CC&F Los Angeles Industrial Center

- 1 Cabot, Cabot & Forbes – South Bay Office
- 1 Scandiline Industries, Inc.
- 2 Samson-West Corp. (Frigitemp Marine)
- 3 Samson-West Corp.
- 4 Craig Corporation
- 5 International Glass (Bausch & Lomb)
- 6 Joseph Lucas North America, Inc.
- 7 Kawecky Berylco Industries, Inc.
- 8 Sanyo Electric, Inc.
- 9 Manufacturers Life
- 10 Compton Fire Department
- 11 Scott Co.
- 12 Meldisco (Melville Shoe Corp.)
- 13 Drummond Distributing Company
- 14 Coast Wholesale Music Company
- 15 Los Angeles Distribution Center
- 16 Pogens Family Bakery
- 17 Xerox Corporation

- 18 Mattel, Inc.
- 19 Bridgestone Tire Company of America, Inc.
- 20 AMP, Incorporated
- 21 Action Industries, Inc.
- 22 Nissan Motor Corporation in the U.S.A. (Datsun)
- 23 Sony Corporation of America
- 24 Metaframe Pacific
- 25 Kar-Cal, Limited
- 26 YKK Zipper (California), Inc.
- 27 Real Transportation Company
- 28 Westvaco Corporation (Division of C.A. Reed)
- 29 Kable News Company
- 30 Nippondenso
- 31 PDM Distribution Center, Inc.
- 32 Max Factor
- 33 3M Business Products Sales, Inc.
- 34 Ralph's Grocery Co. (Federated Stores)
- 35 Ameron, Inc.
- 36 Sanyo Electric, Inc.
- 37 Mary Kay Cosmetics
- 38 Great Western Unifreight
- 39 JVC America, Inc.
- 40 Kubota Tractor Corporation
- 41 Hotel/Restaurant – Kings West

- 42 Meriton Electronics, Inc.
- 43 Pirelli Sales West, Inc.
- 44 Hitachi Sales Corporation of America
- 45 Virco Mfg. Corporation
- 46 Fulton West
- 47 No-Sag Spring (Lear-Siegler, Inc.)
- 48 Harlen Metal Products, Inc.
- 49 Jojo's Restaurant
- 50 Charleton Company
- 51 Los Angeles Distribution Center
- 52 Dae Woo (America), Inc.
- 53 Nihon Radiator
- 53 Pacific Telephone
- 53 Byron Jackson Pump (Division Borg-Warner)
- 53 Office of Criminal Justice (City of Compton)
- 54 Compton Police Substation
- 55 North American Philips Lighting (Norelco)
- 56 Conqueror Marine
- 57 Lightolier, Inc.
- 58 Unitrex of America, Inc.
- 59 Wilshire Lighting

Cabot, Cabot & Forbes Los Angeles Industrial Center

Legend for Development Plan

Graphic Scale of Feet

October, 1975



Land Available for Sale or Development

Sold or Leased

Buildings Available



Litigation — Federal Grand Jury Indictment

At the time of payment for and delivery of said bonds, the Agency will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the bonds.

In December, 1975, an indictment was handed down by a Federal Grand Jury in Los Angeles, California charging Hillard Hamm, Russell Woolfolk, and Louis Woods with certain alleged violations of federal statutes.

Mr. Hamm and Mr. Woolfolk are elected members of the Council of the City of Compton and as such are Commissioners of the Compton Urban Community Development Commission which acts as the governing board of the Compton Community Redevelopment Agency. Mr. Woods is a licensed real estate broker doing business in the City of Compton.

The indictment alleges facts involving the sale of certain real property located within the Central Business District Project Area No. 2 to the Compton Community Redevelopment Agency, (financed by funds provided or loans guaranteed by the U.S. Department of Housing and Urban Development), payment of a certain real estate commission and the alleged commission of certain unlawful acts, including fraud, interference with commerce by extortion, and false declaration before a grand jury.

In the opinion of Clarence E. Blair, City Attorney and Agency General Counsel, the indictment does not relate to or effect the Walnut Industrial Park Redevelopment Project for which these bonds are to be issued.

Disposition of Bond Proceeds

Table 1 shows estimated disposition of bond proceeds and estimated bond costs assuming the maximum interest rate of 8% and a 5% bond discount. If the bonds sell at a rate less than the maximum legal limit or if the discount is less than 5%, a greater portion of the bond proceeds will be available and will be used for additional site improvements pursuant to the redevelopment plan.



Aerial view of CC&F Industrial Park located in Project Area.

TABLE 1
ESTIMATED PROJECT COSTS

Land purchase under owner participation agreement	\$ 2,829,222
Land purchase under option agreement	1,560,000
Police substation	200,000
Auto center site improvements	1,108,000
Future land assembly and site improvements	1,688,000
Future engineering and planning	250,000
Other site improvements	715,000
Legal, financing and incidental costs	199,778
Reserve account deposit	950,000
Reserve for bond discount	500,000
Total Costs	\$10,000,000

ESTIMATED TAX REVENUES AND BOND RETIREMENT

Assessed Valuation and Tax Increment

The Assessor of Los Angeles County assesses all taxable property in the project area except public utility property, which is assessed by the State Board of Equalization at 25% of market value. The State Board of Equalization reports that the 1975/76 Los Angeles County assessed valuation averages 25.3% of market value.

The valuation of secured property is established as of March 1 of each year, is equalized for purposes of establishing tax rates in August, and the first installment of taxes becomes payable the following November.

Taxes are due to be received by the Los Angeles County Tax Collector on or before the delinquency dates of December 10 and April 10 for each installment of the taxes levied. Taxes on unsecured property (personal property and leaseholds) are due on August 31 of each year based on the preceeding fiscal year's tax rate.

The assessed valuation in the project area was established for purposes of computing tax allocations in 1973/74 (the base year). The 1975/76 assessed valuation in the area showed an increase over the base year of \$14,111,315, and the 1975/76 tax allocation to the Agency is \$1,926,118 (see Table 2).

The 1975/76 assessed valuation established by the Los Angeles County Assessor in the project area is \$53,869,360. The base roll is \$39,758,045. The utility roll was not segregated by the State Board of Equalization in the first year and the assessed valuations discussed herein do not reflect utility valuations. In future years utility valuations will be included.

Based on new and completed development in the project area since March 1, 1975, the Redevelopment Fiscal and Administrative Consultant for the Agency has estimated the tax allocation for 1976/77 at \$2,133,331. This estimate is shown in Table 2. The tax allocation is based on a tax rate of \$14.34 which is the same rate applicable in 1975/76.

TABLE 2
ACTUAL AND ESTIMATED
TAX ALLOCATION

<i>Year</i>	<i>Assessed Valuations Over Base Year</i>	<i>Tax Allocation</i>
1975/76*	\$14,111,315	\$1,926,118
1976/77†	15,556,315	2,133,331

* Actual as certified December 31, 1975 by County of Los Angeles Auditor/Controller (Tax Division); certification on file with Agency.

† Estimates by Redevelopment Fiscal and Administrative consultant to Agency. Estimated increase over 1975/76 based on improvements (only) completed or constructed between March 1975 and February 1976 (figures provided by CC&F) and assuming a tax rate of \$14.34.

Estimated Debt Service and Bond Coverage

Table 3 shows debt service based on the maximum interest rate of eight percent. The actual 1975/76 increment of \$1,926,118 covers debt service maturing on and before August 1, 1977 (1½ years) by 1.45 times and the maximum annual debt service of \$950,000 by more than 2 times.

TABLE 3
COMPTON REDEVELOPMENT AGENCY
MAXIMUM DEBT SERVICE

<i>Year of Maturity</i>	<i>Principal Outstanding Beginning of Year</i>	<i>Principal Maturing August 1</i>	<i>Estimated Interest at 8%</i>	<i>Total Estimated Debt Service</i>
1977	\$10,000,000	\$ 125,000	\$ 1,200,000*	\$ 1,325,000
1978	9,875,000	150,000	790,000	940,000
1979	9,725,000	150,000	778,000	928,000
1980	9,575,000	175,000	766,000	941,000
1981	9,400,000	175,000	752,000	927,000
1982	9,225,000	200,000	738,000	938,000
1983	9,025,000	225,000	722,000	947,000
1984	8,800,000	225,000	704,000	929,000
1985	8,575,000	250,000	686,000	936,000
1986	8,325,000	275,000	666,000	941,000
1987	8,050,000	300,000	644,000	944,000
1988	7,750,000	325,000	620,000	945,000
1989	7,425,000	350,000	594,000	944,000
1990	7,075,000	375,000	566,000	941,000
1991	6,700,000	400,000	536,000	936,000
1992	6,300,000	425,000	504,000	929,000
1993	5,875,000	475,000	470,000	945,000
1994	5,400,000	500,000	432,000	932,000
1995	4,900,000	550,000	392,000	942,000
1996	4,350,000	600,000	348,000	948,000
1997	3,750,000	625,000	300,000	925,000
1998	3,125,000	700,000	250,000	950,000
1999	2,425,000	750,000	194,000	944,000
2000	1,675,000	800,000	134,000	934,000
2001	875,000	875,000	70,000	945,000
		\$10,000,000	\$13,856,000	\$23,856,000

* 18 months' interest.

FINANCIAL AND ECONOMIC DATA

The following paragraphs concerning city, county and overlapping district financial and economic data are included only for the purpose of supplying general information with regard to the areas relating to the Walnut Industrial Park Redevelopment Project.

Assessed Valuation

The City of Compton utilizes the facilities of Los Angeles County for the assessment and collection of taxes for city purposes. City taxes are assessed and collected at the same time and on the same tax rolls as are county, school, and special district taxes.

The State Board of Equalization reports that the 1975/76 Los Angeles County assessed valuation averages 25.3 percent of market value. Public utility property is assessed by the state at 25 percent of market value.

Under amendments adopted in 1968 to the Constitution and Statutes of the State of California, two types of exemptions of property from ad valorem taxes were authorized beginning in the taxable year 1969/70.

The first of these exempts 50 percent of the assessed valuation of business inventories from taxation. The second provides for exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor. Revenue estimated to be lost to local taxing agencies due to such exemptions, however, is to be reimbursed from state sources. Such reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated delinquencies.

Tax Rates, Levies, and Delinquencies

The city's 1975/76 tax rate per \$100 taxable assessed valuation is \$1.75. According to the City Controller, this is also the maximum city tax rate.

Taxes are levied on the assessed valuation of taxable property as established by the Los Angeles County Assessor and the State Board of Equalization. Table 5 shows the distribution of the 1975/76 tax rate for all overlapping jurisdictions. The rates are applicable to the tax code area comprising the Walnut Industrial Park Redevelopment Project Area.

Table 6 shows secured tax levies, collections, and delinquencies for the City of Compton for the last six fiscal years.

TABLE 5
REPRESENTATIVE 1975/76 TAX RATES APPLICABLE TO
WALNUT INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA*

City of Compton	\$1.7500
Los Angeles County	4.5185
School District	5.4151
Los Angeles County Library	0.2792
Flood control and sanitation	0.8452†
Other	1.5331
Total	\$14.3411

* Source: County of Los Angeles Auditor-Controller.

† Taxes levied upon land and improvements only.

TABLE 6
CITY OF COMPTON
SECURED TAX LEVIES AND DELINQUENCIES

Year Ended June 30	Secured Tax Levy	Amount Delinquent June 30	Percent Delinquent June 30
1970	\$1,212,640	\$37,303	3.08%
1971	1,607,297	45,527	2.83
1972	1,656,157	57,278	3.46
1973	1,706,190	74,642	4.37
1974	1,665,413	63,359	3.80
1975	1,737,093	59,632	3.43

Source: California Municipal Statistics, Inc.

TABLE 4
CITY OF COMPTON
1975/76 ASSESSED VALUATION*

Local secured	\$109,327,625
Utility	14,166,180
Unsecured	43,208,876
Assessed Valuation for Revenue Purposes†	\$166,702,681

* Source: County of Los Angeles Auditor-Controller.

† Before homeowners' and business inventory exemptions, reimbursement for which is provided by the State of California.

Debt Statement

Table 7 shows a statement of the city's direct and estimated overlapping bonded debt as of February 11, 1976. The city's share of state school building aid repayable as of June 30, 1975 is \$18,736,307.

TABLE 7
STATEMENT OF CITY DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT*

Estimated 1975 population	68,700
1975/76 assessed valuation	\$166,702,681
1975/76 estimated market value	\$660,000,000†

Entity	Percent Applicable	Debt Applicable February 11, 1976
Los Angeles County	0.661%	\$ 165,640‡
Los Angeles County Building Authorities	0.661	1,266,679
Los Angeles County Flood Control District	0.577	2,848,168
Metropolitan Water District	0.421	2,307,168
Compton Junior College District	30.539	200,030
Lynwood Unified School District	0.012	61
Compton Union High School District (various issues)	52.190-53.779	2,856,633
Compton City School District (various issues)	61.194-63.691	1,955,085
Enterprise School District	28.715	246,375
Willowbrook School District	0.060	49
City of Compton Civic Center Authority	100.000	7,250,000
Total Direct and Overlapping Bonded Debt		\$19,095,827

	Ratio to		Per Capita
	Assessed Valuation	Estimated Market Value	
Assessed valuation	—	—	\$2,427
Direct debt	4.35%	1.10%	106
Total direct and overlapping bonded debt	11.46	2.89	278

* Compiled by California Municipal Statistics, Inc.

† The State Board of Equalization reports that 1975/76 Los Angeles County assessed valuations average 25.3% of market value. Public utility property (\$14,166,180) is assessed by the State Board of Equalization at 25% of market value.

‡ Excludes city share (\$1,573,933) of Los Angeles County lease-purchase obligations (\$238,113,959).

Summary of City Revenues and Expenditures

Table 8 summarizes city revenues and expenditures for the last five fiscal years, as reported to the State Controller.

TABLE 8
CITY OF COMPTON
SUMMARY OF REVENUES AND EXPENDITURES

	1970/71*	1971/72*	1972/73*	1973/74*	1974/75†
REVENUES					
Taxes	\$4,035,752	\$4,250,531	\$ 4,554,756	\$ 4,713,801	\$ 4,955,547
Licenses and permits	58,174	70,444	78,442	57,909	80,596
Fines and penalties	162,443	186,498	222,049	178,562	161,810
From use of money and property	245,834	205,078	245,419	249,359	224,004
From other agencies	3,149,175	4,152,305	8,807,133	9,943,500	10,196,103
Current service charges	747,639	787,892	812,151	843,987	959,441
Other revenue	157,211	111,215	82,097	190,278	86,013
Total Revenues	\$8,556,228	\$9,763,963	\$14,802,047	\$16,177,396	\$16,663,514
Expenditures					
General government	\$2,091,371	\$3,522,357	\$ 6,429,711	\$ 8,592,818	\$ 9,198,667
Public safety	3,401,030	3,648,747	3,947,473	4,722,340	4,794,629
Public works	2,002,775	2,279,202	2,544,274	2,347,592	2,515,718
Health	42,796	37,719	43,755	64,160	24,210
Parks and recreation	385,235	436,700	391,831	594,309	618,386
Total Expenditures	\$7,923,207	\$9,924,725	\$13,357,094	\$16,321,219	\$17,151,610

* Source: Annual Report of Financial Transactions Concerning Cities of California published by the State Controller of the State of California.

† Source: Report prepared by the City of Compton and submitted to the State Controller for inclusion in the 1974/75 Annual Report of Financial Transactions Concerning Cities of California.



Craig Corporation



Steel Producing Division, Ameron, Inc.



PDM, Inc.



Pogens Family Bakery

*Included in the Walnut Industrial Park
Redevelopment Project No. 3 is the Cabot,
Cabot and Forbes Industrial Park Project
called "Los Angeles Industrial Center."
Shown are 5 of the 59 companies
located in the park.*



Nissan Motor Corporation in the U.S.A.

REGIONAL CHARACTERISTICS AND DEMOGRAPHICS

The following paragraphs concerning the City of Compton and surrounding areas are included only for the purpose of supplying general information with regard to the areas relating to the Walnut Industrial Park Redevelopment Project.

The City of Compton is located in Los Angeles County and is south of the City of Los Angeles. It covers approximately 10.5 square miles in the center of a highly diversified industrial area.

The city was incorporated in 1888 and is a charter city operating under the council-manager form of government.

Manufacturing is the primary industry in the Compton area. Approximately 340 manufacturing plants are located in the area, with leading products including aircraft parts, oil tools, pipe, aluminum-casting, roofing structures, foam rubber and aerospace components.

The temperate climate of the area is reflected in average temperatures of approximately 65° in the winter and 75° in summer.

Population

Population growth in the City of Compton has followed the pattern of growth typical to Southern California generally, more than quadrupling between 1940 and 1970. The 1970 population according to the U.S. Census was 78,547. The State Department of Finance estimated the January 1, 1975 population at 68,700. The decline in population during this period may reflect the changing character of the community from residential to increased commercial and industrial.

Industry

Compton is primarily a manufacturing community. There are approximately 1600 acres in the city limits zoned for M1 and M2 industry. In 1968 the Los Angeles Industrial Center, a 540-acre industrial park, was opened in Compton, and this facility is in the Walnut Industrial Park Redevelopment Project No. 3. This center contained approximately 59 firms as of October 1975, and occupancy is approximately 65% of total capacity.

Xerox Corp. has leased 10.5 acres in the Los Angeles Industrial Center in Compton in which it will consolidate warehousing now in various other buildings. The five-year and option lease is for a \$3.6-million building at 660 W. Artesia Blvd.

The facility will centralize national distribution for products manufactured in West Coast plants. The 227,000 square-foot building also will house 25,000 square feet of offices.

Non-manufacturing industries in the City of Compton include divisional headquarters offices of Southern California Gas Company, and Pacific Telephone Company, which serve a broad area including the city and portions of the South Bay area of Los Angeles County. A large Sears retail outlet is also located in the city.

Employment

Compton is included in the Los Angeles-Long Beach labor market area, and Table 9 shows non-agricultural employment by industry for 1975. Total employment reported as of December, 1974, was 2,979,400. As of January 1, 1974, estimating procedures were revised by the State of California Employment Development Department, Employment Data and Research Division, for labor force statistics, so that previous data are not comparable.

Commerce

Taxable sales in the city are reflected in Table 10 for the years 1970 through 1974. From 1960 to 1970, sales rose from \$119,017,000 to \$130,047,000.

TABLE 10
CITY OF COMPTON
TAXABLE SALES AND
SALES PERMITS

	<i>Taxable Transactions</i>	<i>Number of Sales Permits</i>
1974	\$141,406,000	1,204
1973	141,821,000	1,257
1972	141,214,000	1,289
1971	133,830,000	1,314
1970	130,047,000	1,272

Source: State Board of Equalization.

Utilities

Compton Municipal Water District serves the bulk of the city and is supplemented by three private companies serving small areas. Sewer service is provided by Los Angeles County Sanitation, and telephone service is provided by Pacific Telephone Company. Southern California Edison Company supplies electric power to the city and Southern California Gas Company supplies residents of the city with natural gas.

TABLE 9
LOS ANGELES COUNTY-LONG BEACH LABOR MARKET AREA
NON-AGRICULTURAL EMPLOYMENT BY INDUSTRY

	<i>April 1975</i>	<i>December 1975</i>
Mineral extraction	11,000	11,000
Contract construction	94,100	94,600
Manufacturing	774,300	775,700
Transportation, communication, utilities	174,100	171,100
Wholesale and retail trade	690,300	726,700
Finance, insurance, real estate	183,500	185,300
Services and miscellaneous	631,900	636,100
Government	476,700	485,800
Totals	3,035,900	3,086,300

Source: State of California, Employment Development Department, Employment Data & Research.

Construction

Building permits and valuations for the City of Compton from 1971 through November, 1975 are shown in Table 11. Total building valuation for the first eleven months of 1975 amounted to \$19,028,000. Of this figure \$16,508,000 represents non-residential construction, and the large increase over the 1974 figure reflects the activity in the Cabot, Cabot & Forbes development.

Transportation

The City of Compton is served by the extensive southern California freeway system and has overnight trucking delivery to the cities of Los Angeles, San Diego, and San Francisco, and intermediate points. The Southern Pacific Railroad serves the city, as do Greyhound Bus Lines and Continental Trailways. Compton residents are within easy access of Los Angeles International Airport and Long Beach Airport, and are also served by the other two commercial airports in Los Angeles County, Hollywood-Burbank and Van Nuys Airport. The city maintains a municipal airport for general aviation and light business aircraft. Industries within the city are served by the Los Angeles and Long Beach harbors.

Community Facilities

Five hospitals are located in the City of Compton. Public elementary and secondary schooling is provided by the Compton Unified School District and the Compton Community College District. Residents enjoy four bi-weekly newspapers and the city has four county libraries and over 100 churches. Recreational facilities include a 3-par golf course and several parks and public swimming pools. A neighborhood service center was completed and opened to the public in 1975.

TABLE 11
CITY BUILDING PERMIT VALUATIONS

	1971	1972	1973	1974	1975 (11 months)
Residential	\$ 4,016,000	\$ 1,676,000	\$1,538,000	\$2,325,000	\$ 2,520,000
Non-residential	13,569,000	8,764,000	7,002,000	4,924,000	16,508,000
Total Value	\$17,585,000	\$10,440,000	\$8,540,000	\$7,249,000	\$19,028,000

Source: Security Pacific Bank, "California Construction Trends".

RESOLUTION NO. 24

Resolution

of the

Compton Urban Community Development Commission

Acting as the

Community Redevelopment Agency

of the City of Compton, California

Authorizing the Issuance of

\$10,000,000 Bonds of Said Agency

to Finance a Portion of the Cost

of a Redevelopment Project

Known as

The Walnut Industrial Park Redevelopment Project No. 3

RESOLUTION NO. 24

RESOLUTION OF THE COMPTON URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, CALIFORNIA, AUTHORIZING THE ISSUANCE OF \$10,000,000 BONDS OF SAID AGENCY TO FINANCE A PORTION OF THE COST OF A REDEVELOPMENT PROJECT KNOWN AS THE WALNUT INDUSTRIAL PARK REDEVELOPMENT PROJECT NO. 3.

WHEREAS, the Compton Urban Community Development Commission is a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers pursuant to Part 1.7 of Division 24 of the Health and Safety Code of the State of California and the powers of such Commission include the power to operate, govern and exercise all of the nature, power, authority, functions and jurisdiction of the Community Redevelopment Agency of the City of Compton; and

WHEREAS, notwithstanding the fact that the Commission exercises as a governing body the powers of the Community Redevelopment Agency of the City of Compton, California, the Agency remains a separate public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) and the powers of such Agency include the power to issue bonds for any of its corporate purposes; and

WHEREAS, all formal actions of the Agency shall be in the Agency's name; and

WHEREAS, a redevelopment plan for a project known and designated as the "Walnut Industrial Park Redevelopment Project No. 3" has heretofore been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said plan have been duly complied with; and

WHEREAS, said plan contemplates that the Agency will issue its bonds to finance a portion of the cost of such redevelopment; and

WHEREAS, the Agency deems it necessary to issue tax allocation bonds for the aforesaid purpose;

Now, THEREFORE, BE IT RESOLVED by the Compton Urban Community Development Commission, Acting as the Community Redevelopment Agency of the City of Compton, California, as follows:

Section 1. **Definitions.** As used in this resolution the following terms shall have the following meanings:

(a) "Bonds" means the \$10,000,000 bonds authorized by this resolution.

(b) "Fiscal Agent" means the bank appointed by the Agency pursuant to Section 23 hereof, its successors and assigns, and any other bank or trust company which may at any time be substituted in its place, as provided in this resolution.

(c) "Fiscal year" means the year period beginning on July 1st and ending on the next following June 30th.

(d) "Independent Accountant" means a certified public accountant or a firm of certified public accountants.

(e) "Independent Redevelopment, Fiscal and Administrative Consultant" means an individual or group of individuals of favorable reputation employed by the Agency for purposes of analysis of fiscal and other related matters.

(f) "Law" or "Redevelopment Law" means the Community Redevelopment Law of the State of California as cited in the recitals hereof.

(g) "Maximum Annual Debt Service" means the largest of the sums obtained for any Fiscal Year after the computation is made, by totaling the following for each such Fiscal Year:

(1) The principal amount of all outstanding serial Bonds and serial Parity Bonds payable in such Fiscal Year; and

(2) The amount of Minimum Sinking Fund Payments for outstanding term Parity Bonds (there being no term Bonds in this issue) to be made in such Fiscal Year in accordance with the applicable schedule or schedules of Minimum Sinking Fund Payments together with the premium thereon, if any, be payable and

(3) The interest which would be due during such Fiscal Year on the aggregate principal amount of Bonds and Parity Bonds (serial and/or term) which would be outstanding in such Fiscal Year if the Bonds and Parity Bonds outstanding on the date of such computation were to mature or be redeemed in accordance with the maturity schedule or schedules for the serial Bonds and the applicable schedule or schedules of Minimum Sinking Fund Payments for term Parity Bonds.

R 3

At the time and for the purpose of making such computation for each such Fiscal Year, the amount of term Parity Bonds already retired in advance of the above mentioned schedule or schedules of Minimum Sinking Fund Payments for term Parity Bonds shall be deducted pro rata from the remaining amounts thereon.

(h) "Minimum Sinking Fund Payments" means the amount of money to be deposited into a Term Bond Sinking Fund Account to be used to redeem term Parity Bonds, at the principal amounts thereof, plus premium, if any, in the amounts and at the times set forth in the applicable schedule or schedules of Minimum Sinking Fund Payments contained in any resolution providing for the issuance of Parity Bonds.

(i) "Parity Bonds" means any additional tax allocation bonds or notes issued by the Agency as permitted by Section 20 of this resolution, which are payable from Tax Revenues on a parity with the Bonds.

(j) "Paying Agent" means any paying agent appointed by the Agency pursuant to this resolution.

(k) "Redevelopment Agency" or "Agency" means the Community Redevelopment Agency of the City of Compton, California.

(l) "Redevelopment Plan" means the redevelopment plan for the Redevelopment Project Area approved and adopted by Ordinance No. 1438 of the City Council of the City of Compton and includes any amendment of said plan heretofore or hereafter made pursuant to law.

(m) "Redevelopment Project" means the project of carrying out, pursuant to the Law, the Redevelopment Plan for the Redevelopment Project Area.

(n) "Redevelopment Project Area" means the project area described and defined in the Redevelopment Plan, which project area is known and designated as the "Walnut Industrial Park Redevelopment Project No. 3."

(o) "Tax Revenues" means that portion of taxes levied upon taxable property in the Redevelopment Project Area and received by the Agency, which is allocated to and paid into a special fund of the Agency pursuant to Article 6 of Chapter 6 of the Law and Section 16 of Article XVI of the Constitution of the State of California, all as more particularly set forth hereafter in this resolution.

(p) "Treasurer" or "Treasurer of the Agency" means the officer who is then performing the functions of Treasurer of the Agency.

Section 2. **Amount, Issuance and Purpose of Bonds.** Under and pursuant to the Law and this resolution, Bonds of the Redevelopment Agency in the principal amount of \$10,000,000 shall be issued by the Agency for the purpose of financing a portion of the cost of the Redevelopment Project and for other purposes related thereto as hereinafter provided.

Section 3. **Nature of Bonds.** The Bonds shall be and are special obligations of the Agency and are secured by an irrevocable and first pledge of, and are payable as to both principal and interest from Tax Revenues and other funds as hereinafter provided. Said Bonds, the interest thereon, and any premiums payable upon the redemption of any thereof, are not a debt of the City of Compton, the State of California or any of its political subdivisions and neither said city, said state nor any of its political subdivisions is liable on them, nor in any event shall said Bonds, interest or premiums be payable out of any funds or properties other than those of the Agency as in this resolution set forth. Said Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

The Bonds shall be and are equally secured by an irrevocable and first pledge of Tax Revenues and other funds as hereinafter provided, without priority for number, date of sale, date of execution, or date of delivery, except as expressly provided herein.

The validity of the Bonds is not and shall not be dependent upon the completion of the Redevelopment Project or upon the performance by anyone of his obligation relative to the Redevelopment Project.

Nothing in this resolution shall preclude the redemption and payment of the Bonds prior to maturity, or the payment thereof at maturity, from the proceeds of refunding bonds or other obligations issued pursuant to law. Nothing in this resolution shall prevent the Agency from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this resolution.

Section 4. **Description of Bonds.** The Bonds shall be in the principal amount of \$10,000,000 and shall be designated 1976 WALNUT INDUSTRIAL PARK PROJECT, TAX ALLOCATION BONDS. The Bonds may be initially issued in the form of Bearer Bonds in the denomination of \$5,000 each, or in the form of Fully Registered Bonds, in denominations of \$5,000 each or any multiple thereof. The Bearer Bonds shall be dated as of February 1, 1976, and shall be numbered from 1 to 2000. The Bonds shall be serial

R 5

Bonds and shall mature in the following amounts on August 1 of the following years:

Year of Maturity	Principal Maturing August 1
1977	\$ 125,000
1978	150,000
1979	150,000
1980	175,000
1981	175,000
1982	200,000
1983	225,000
1984	225,000
1985	250,000
1986	275,000
1987	300,000
1988	325,000
1989	350,000
1990	375,000
1991	400,000
1992	425,000
1993	475,000
1994	500,000
1995	550,000
1996	600,000
1997	625,000
1998	700,000
1999	750,000
2000	800,000
2001	875,000

Section 5. **Interest.** The Bonds shall bear interest at a rate or rates to be hereafter fixed by resolution but not to exceed eight per cent (8%) per annum, payable semiannually on August 1 and February 1 of each year except that interest for the first year shall be paid on February 1, 1977. Each Bond shall bear interest until the principal sum thereof has been paid, provided, however, that if at the maturity date of any Bond, or if the same has been duly called for redemption, funds are available for the payment or redemption thereof in full accordance with the terms of this resolution, said Bond shall then cease to bear interest.

The fully registered Bonds shall be numbered by the Fiscal Agent as it shall determine and shall be dated as of the date of authentication thereof, except that fully registered Bonds issued upon exchanges and transfers shall be dated so that no gain or loss of interest shall result from such exchange or transfer. Each fully registered Bond shall bear interest from the interest payment date next preceding the date thereof unless it is dated as of an interest payment date, in which event it shall bear interest from the date thereof, or unless it is dated prior to the first interest payment date, in which event it shall bear interest from February 1, 1976. Interest on fully registered Bonds shall be paid by the Fiscal Agent by check or draft mailed to the registered owner at his address as it appears on the bond register kept by the Fiscal Agent pursuant to Section 9 of this resolution.

Section 6. Place of Payment. The Bonds and the interest thereon shall be payable in lawful money of the United States of America at the main office of the Fiscal Agent in Los Angeles, California, or San Francisco, California, or, at the option of the holder, at the office of any Paying Agent of the Agency in New York, New York, or Chicago, Illinois.

Section 7. Execution of Bonds. The Bonds shall be signed on behalf of the Agency by its Chairman by his manual or facsimile signature and by its Secretary by his manual signature, and the seal of the Agency shall be impressed, imprinted or reproduced thereon. The interest coupons on said Bonds shall be signed by said Secretary by his manual or facsimile signature. The foregoing officers are hereby authorized and directed to sign the Bonds and coupons in accordance with this section.

The Bonds may be initially issued in temporary form exchangeable for definite Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Agency, shall be without coupons and may contain such reference to any of the provisions of this resolution as may be appropriate. Every temporary Bond shall be executed by the Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Agency issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the office of the Fiscal Agent, and the Fiscal Agent shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive coupon Bonds of the same interest rate or rates and maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this resolution as definitive Bonds delivered hereunder.

Section 8. **Types of Bonds, Registration, Discharge and Exchange.** To facilitate registration of the Bonds, two forms thereof have been provided:

(1) Those which shall be initially issued and which are in negotiable form, payable to bearer, with negotiable coupons (herein sometimes referred to as "bearer Bonds"); and

(2) Those which are issued to facilitate registration and so are issued as non-negotiable fully registered bonds payable to the registered owner (herein sometimes referred to as "fully registered Bonds").

The bearer Bonds are not registrable by endorsement, but may be exchanged for fully registered Bonds as provided herein.

A bearer Bond or Bonds may be registered by exchanging the same for a fully registered Bond or Bonds, as the case may be. A bearer Bond or Bonds and a fully registered Bond or Bonds may be exchanged for a fully registered Bond or Bonds. A fully registered Bond may be exchanged in whole for bearer Bonds or in part for such bearer Bonds and the balance for fully registered Bonds. Transfer of ownership of a fully registered Bond or Bonds shall be made by exchanging the same for a new fully registered Bond or Bonds. All of such exchanges shall be made in such manner and upon such reasonable terms and conditions as may from time to time be determined and prescribed by the Agency; provided, however, no such exchange shall be made between the fifteenth day preceding any interest payment date and such interest payment date. Such exchanges shall be free of any costs or charges to the person, firm or corporation requesting such exchange, except for any tax or governmental charge that may be imposed in connection with such an exchange. Each bearer Bond issued pursuant to this resolution shall be of the denomination of \$5,000. Each fully registered Bond issued pursuant to this resolution shall be of a denomination which is \$5,000 or a multiple thereof.

Section 9. **Bond Register.** The Fiscal Agent will keep or cause to be kept at its office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Agency; and, upon presentation for such purposes, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said register, Bonds as hereinbefore provided.

Section 10. **Redemption of Bonds Prior to Maturity.**

A. *Terms of Redemption.* The Bonds maturing on or before August 1, 1986, are not subject to call and redemption prior to maturity. Bonds

maturing on or after August 1, 1987, may be called before maturity and redeemed at the option of the Agency, in whole or in part, from any source of funds, on August 1, 1986, or on any interest payment date thereafter prior to maturity. If less than all the Bonds outstanding are to be redeemed at any one time, the Bonds are to be redeemed in inverse order of maturity, and by lot within a maturity. Bonds called for redemption are to be redeemed at a redemption price for each redeemed bond equal to the principal amount thereof plus the following premium (percentage of principal amount) if redeemed on a redemption date in the following years:

Premiums and Redemption Years for Optional Call

Premium	Redemption Years
3 %	1986
2½	1987
2	1988
1½	1989
1	1990
½	1991
0	1992 — 2001

The interest payment date on which Bonds which are to be presented for redemption is herein sometimes called the "redemption date."

B. Call and Redemption. The Agency may (and, if required by Section 18 hereof, shall) by resolution direct the call and redemption prior to maturity of Bonds by the Fiscal Agent in such amounts as funds are available therefor and shall give notice to the Fiscal Agent of such redemption at least sixty (60) days prior to the redemption date.

Section 11. Notice of Redemption. Notice of the intended redemption shall be published by the Fiscal Agent by one insertion in a financial newspaper or journal of national circulation published in The City of New York, New York, said publication to be at least 30 days but not more than 90 days prior to the redemption date, provided that notice of redemption may be given and published earlier than said 90th day if provision is made for the republication of said notice within the period above prescribed. The notice of redemption shall (a) state the redemption date; (b) state the redemption price; (c) state the numbers and dates of maturity of the Bonds to be redeemed; provided, however, that whenever any call includes all of the outstanding Bonds of any maturity, the numbers of the Bonds need not be stated; (d) require that bearer Bonds be surrendered with all interest coupons matur-

ing subsequent to the redemption date at the main office of the Fiscal Agent in Los Angeles, California, or San Francisco, California, or, at the option of the holder, at the office of any Paying Agent in Chicago, Illinois, or New York, New York; (e) state, as to any fully registered Bonds redeemed in part only, the registered bond numbers and the principal portion thereof to be redeemed; and (f) state that interest on the Bonds on the principal portion thereof in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Bonds the principal amount thereof to be redeemed, interest accrued thereon to the redemption date and the premium thereon (such premium to be specified).

If any of the Bonds designated for redemption shall be fully registered Bonds, the Fiscal Agent shall, on or before the date of publication of said notice of redemption, mail a similar notice, postage prepaid, to the respective registered owners thereof at the addresses appearing on the bond registry books. If at the time of giving notice of redemption no Bonds are outstanding except fully registered Bonds, publication of such notice shall be deemed to be waived if it is so mailed to each registered owner.

The actual receipt by the holder of any Bond (hereinafter referred to as "bondholder") of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption. The notice or notices required by this section shall be given by the Fiscal Agent. A certificate by the Fiscal Agent that notice of call and redemption has been given to holders of fully registered Bonds as herein provided shall be conclusive as against all parties, and no bondholder whose fully registered Bond is called for redemption may object thereto or object to the cessation of interest on the redemption date fixed by any claim or showing that he failed to receive actual notice of call and redemption.

Section 12. Partial Redemption of Fully Registered Bond. Upon surrender of any fully registered Bond redeemed in part only, the Agency shall execute and the Fiscal Agent shall authenticate and deliver to the registered owner thereof, at the expense of the Agency, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered and of the same interest rate and maturity, which new Bond or Bonds may be, at the option of the registered owner, either a bearer Bond or Bonds or a fully registered Bond or Bonds. The registered owner of any fully registered Bond may, in lieu of surrendering

such Bond for a new Bond, endorse on the reverse of such Bond a notation of such partial redemption, in such form as may be satisfactory to the Agency and the Fiscal Agent and under such conditions as the Fiscal Agent may approve. Such partial redemption shall be valid upon payment of the amount thereby required to be paid to such registered owner, and the Agency and the Fiscal Agent shall be released and discharged from all liability to the extent of such payment, irrespective of whether such endorsement shall or shall not have been made upon the reverse of such fully registered Bond by such registered owner and irrespective of any error or omission in such endorsement.

Section 13. **Redemption Fund.** Prior to the time the Agency determines to call and redeem any of the Bonds there shall be established a redemption fund to be described or known as Walnut Industrial Park Tax Allocation Bonds, Redemption Fund (hereinafter sometimes referred to as "Redemption Fund") to be held by the Fiscal Agent, and prior to the publication of the notice of redemption the Fiscal Agent must set aside in said Redemption Fund moneys available for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Bonds designated in such notice of redemption. Said moneys must be set aside in said fund solely for that purpose and shall be applied on or after the redemption date to payment (principal and premium) for the Bonds to be redeemed upon presentation and surrender of such Bonds and (except as to fully registered Bonds) all interest coupons maturing after the redemption date, and shall be used only for that purpose. Any interest coupon due on or prior to the redemption date shall be paid from the Special Fund provided in Section 18 hereof, upon presentation and surrender thereof. Each bearer Bond presented must have attached thereto or presented therewith all interest coupons maturing after the redemption date. If after all of the Bonds called have been redeemed and cancelled or paid and cancelled there are moneys remaining in the Redemption Fund, said moneys shall be transferred to the Special Fund; provided, however, that if said moneys are part of the proceeds of refunding obligations, said moneys shall be transferred to the fund created for the payment of principal of and interest on such refunding obligations.

Section 14. **Effect of the Notice of Redemption.** When notice of redemption has been given, substantially as provided in Section 11 hereof, and when the amount necessary for the redemption of the Bonds called for redemption (principal and premium) is set aside for that purpose in the Redemption Fund, as provided in Section 13 hereof, the Bonds designated

for redemption shall become due and payable on the redemption date, and, upon presentation and surrender of said Bonds and (except as to fully registered Bonds) all interest coupons maturing after the redemption date, at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at said redemption price out of the Redemption Fund, and no interest will accrue on such Bonds called for redemption or on any interest coupons thereof after the redemption date specified in such notice, and the holders of said Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the premium thereon only to the Redemption Fund. All Bonds redeemed and all interest coupons thereof shall forthwith be cancelled by the Fiscal Agent and shall not be reissued.

All interest coupons pertaining to any redeemed Bonds, which coupons have matured on or prior to the time fixed for redemption, shall continue to be payable to the respective holders thereof but without interest thereon. All unpaid interest payable at or prior to the date fixed for redemption upon fully registered Bonds shall continue to be payable to the respective registered owners of such Bonds, or their order, but without interest thereon.

Section 15. **Funds.** There have heretofore been created the following special trust funds:

1. Walnut Industrial Park Redevelopment Fund (the "Redevelopment Fund") held by the Treasurer;
2. Walnut Industrial Park Special Fund (the "Special Fund") held by the Fiscal Agent.

So long as any of the Bonds herein authorized, or any interest thereon, remain outstanding and unpaid, the moneys in the foregoing funds shall be used for no purpose other than those required or permitted by this resolution and the Law.

Section 16. **Disposition of Bond Proceeds; Redevelopment Fund.** The proceeds from the sale of the Bonds shall be placed in the Redevelopment Fund, except: (1) that accrued interest and premium, if any, shall be placed in the Bond Interest Account of the Special Fund; (2) that a sum equal to Maximum Annual Debt Service shall be placed in the Reserve Account of the Special Fund; and (3) that an amount equal to the purchase price of the property (\$2,829,222) as set forth in Section 3 of that agreement known as the Restated Owner Participation Agreement, dated December 18, 1975, by and between the Redevelopment Agency, Cabot, Cabot & Forbes Los Angeles Industrial Center, Inc. and John Hancock Mutual Life Insurance

Company, shall be deposited directly into the Acquisition Escrow provided for in Section 4 of said Agreement.

The moneys set aside and placed in the Redevelopment Fund shall remain therein until from time to time expended solely for the purpose of financing a portion of the cost of the Redevelopment Project and other costs related thereto, such other costs to include but not be limited to:

(a) The payment of all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure or other improvement which is publicly owned either within or without the Redevelopment Project Area, subject to the limitations of Section 33445 of the Law;

(b) The payment of necessary expenses in connection with the issuance and sale of the Bonds.

If any sum remains in the Redevelopment Fund after the full accomplishment of the objects and purposes for which said Bonds were issued, said sum shall be transferred to the Special Fund.

Section 17. Tax Revenues. As provided in the Redevelopment Plan pursuant to Article 6 of Chapter 6 of the Law and Section 16 of Article XVI of the Constitution of the State of California, taxes levied upon taxable property in the Redevelopment Project Area each year by or for the benefit of the State of California, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinances approving the Redevelopment Plan (being Ordinance No. 1438 adopted by the Council of the City of Compton on August 28, 1973, which ordinance became effective on September 27, 1973, as amended by Ordinance No. 1455 adopted by the Council of the City of Compton on July 20, 1974, which amending ordinance became effective on August 19, 1974) shall be divided as follows:

(1) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said taxing agencies upon the total sum of the assessed value of the taxable property in the Redevelopment Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to September 27, 1973 (being the effective date of the ordinance above referred to) with reference to property described in the Redevelopment Plan approved by that ordinance, and the taxable property in the Redevelopment Project Area as shown upon

the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to August 19, 1974 (being the effective date of the amending ordinance above referred to) with reference to property described in the Redevelopment Plan, as amended, approved by that amending ordinance and shall be allocated to and when collected shall be paid into the funds of the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid; and

(2) That portion of said levied taxes each year in excess of such amount shall be allocated to and when collected shall be paid into the Special Fund of the Agency.

The foregoing provisions of this section are a portion of the provisions of said Article 6 of Chapter 6 of the Law as applied to the Bonds and shall be interpreted in accordance with said Article 6, and the further provisions and definitions contained in said Article 6 are hereby incorporated herein by reference and shall apply.

The Tax Revenues (except that portion which the Agency may use pursuant to Section 18 hereof for any purpose authorized in said Article 6) are hereby allocated and pledged in their entirety to the payment of the principal of, interest on, and premiums payable upon redemption of, said Bonds as in this resolution provided, and until all of said Bonds, and all interest thereon, have been paid (or until moneys for that purpose have been irrevocably set aside) the Tax Revenues shall be applied solely to the payment of the Bonds, the interest thereon and premiums payable upon redemption thereof, as in this resolution provided. Such allocation and pledge is for the exclusive benefit of the holders of the Bonds and shall be irrevocable.

Section 18. Special Fund. All Tax Revenues shall be deposited in the Special Fund. The interest on the Bonds and Parity Bonds until maturity shall be paid by the Fiscal Agent from the Special Fund. At the maturity of the Bonds and any Parity Bonds, and, after all interest then due on the Bonds and Parity Bonds then outstanding has been paid or provided for, moneys in the Special Fund shall be applied to the payment of the principal of any of such Bonds and Parity Bonds.

Without limiting the generality of the foregoing and for the purpose of assuring that the payments referred to above will be made as scheduled, the Tax Revenues accumulated in the Special Fund shall be used in the following priority; provided, however, that to the extent that deposits have been made

in any of the Accounts referred to below from the proceeds of the sale of the Bonds or otherwise, the deposits below need not be made:

(a) *Bond Interest Account.* Deposits shall be made into the Bond Interest Account so that the balance in said Account one (1) month prior to the date of the payment of any installment of interest on the Bonds and Parity Bonds shall be equal to such installment of interest. Moneys in the Bond Interest Account shall be used for the payment of interest on the Bonds and Parity Bonds as the same become due.

(b) *Bond Payment Account.* After the deposits have been made pursuant to subparagraph (a) above, deposits shall next be made into the Bond Payment Account so that the balance in said Account one (1) month prior to the date of payment thereof shall equal the next principal payment, or payments, as the case may be, on the then outstanding serial Bonds and serial Parity Bonds. Moneys in the Bond Payment Account shall be used for the payment of the principal of such serial Bonds and serial Parity Bonds, as the same become due.

(c) *Additional Deposits Into the Bond Interest Account.* After the deposits have been made pursuant to subparagraphs (a) and (b) above, if the Tax Revenues are sufficient therefor, deposits shall next be made into the Bond Interest Account so that the balance in said Account one (1) month prior to the date of the payment of any installment of interest on the Bonds and Parity Bonds shall be equal to one (1) year's interest on the then outstanding Bonds and Parity Bonds.

(d) *Reserve Account.* After the deposits have been made pursuant to subparagraphs (a), (b) and (c) above, if the Tax Revenues are sufficient therefor, deposits shall next be made into the Reserve Account so that the balance in said Account shall equal the Maximum Annual Debt Service and the balance in said Account shall be so maintained to equal the Maximum Annual Debt Service. Moneys in the Reserve Account shall be used solely for the purpose of paying the interest and principal of the Bonds and Parity Bonds in the event that moneys in the Bond Interest Account or Bond Payment Account are insufficient therefor and for that purpose the Fiscal Agent shall withdraw and transfer moneys from the Reserve Account to the appropriate Account. Moneys in the Reserve Account may be used to pay the interest and/or principal of the last outstanding maturity of the Bonds and/or Parity Bonds so that the issue of Bonds and/or Parity Bonds will be retired.

(e) *Surplus.* It is the intent of this Resolution: (i) that the deposits in subparagraphs (a) and (b) above to the Bond Interest Account and

the Serial Bond Payment Account, respectively, shall be made as scheduled, and (ii) that the deposits in subparagraphs (c) and (d) above to the Bond Interest Account and the Reserve Account respectively, shall be made as scheduled, if and only if the Tax Revenues are sufficient therefor. Failure to make the required deposits into the Bond Interest Account, as specified in subparagraph (c) above and the Reserve Account, as specified in subparagraph (d) above, shall not be an event of default if, and only if, the Tax Revenues are insufficient therefor. Should it be necessary to defer all or part of any deposits referred to in subparagraphs (c) and (d) above, such deferred deposits shall be cumulative and shall be made when the Tax Revenues are sufficient to make the deposits required by subparagraphs (a) and (b) and thereafter make the deposits required by subparagraphs (c) and (d). If: (i) the above transfers have been made so that the required amounts are in the above mentioned Accounts as shown by a certificate or opinion of an Independent Accountant employed by the Agency and (ii) the Tax Revenues received by the Agency, on or before June 30 of each year, based upon the most recent assessed valuation of taxable property in the Redevelopment Project Area, furnished by the appropriate officer of the County of Los Angeles, are at least equal to 1.25 times the Maximum Annual Debt Service on all Bonds, Parity Bonds and any loans, advances or indebtedness payable from Tax Revenues on a parity with the Bonds pursuant to Section 33670 of the Law, as shown by a certificate or opinion of an Independent Accountant employed by the Agency and (iii) there has been no material change in the status of the Redevelopment Project which in the opinion of an Independent Redevelopment, Fiscal and Administrative Consultant, said opinion having been filed with the Fiscal Agent, would be likely to result in diminution of increment in the succeeding fiscal year, any balances in the Special Fund may be used and applied by the Agency for any lawful purpose, including, without limitation, the purchase and/or call and redemption of Bonds and Parity Bonds.

Section 19. Deposit and Investment of Moneys in Fund. Subject to the provisions of Covenant 9 of Section 21 hereof, all moneys held in the Redevelopment Fund, and the Special Fund, except such moneys which are at the time invested, shall be held in time or demand deposits in any bank or trust company authorized to accept deposits of public funds (including the banking department of the Fiscal Agent or any Paying Agent) and shall be secured at all times by bonds or other obligations which are authorized by law as security

for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund may be from time to time invested by the Agency, and moneys in the Special Fund held by the Fiscal Agent may, and upon written request of the Agency, shall be invested in direct obligations of the United States of America or obligations for the payment of both principal and interest of which the full faith and credit of the United States of America are pledged, subject to the following restrictions:

(a) Moneys in the Redevelopment Fund shall be invested only in obligations which will by their terms mature not later than the date the Agency estimates the moneys represented by the particular investment will be needed for withdrawal from such fund.

(b) Moneys in the Special Fund shall be invested only in obligations which will by their terms mature on such dates as to insure that before each interest payment date there will be in such fund, from matured obligations and other moneys already in such fund, cash equal to the interest and principal payable on such date.

Obligations purchased as an investment of moneys in any of said funds shall be deemed at all times to be a part of such fund and the interest accruing thereon and any gain realized from such investment shall be credited to such fund and any loss resulting from any such authorized investment shall be charged to such fund without liability to the Agency or the members and officers thereof. The Agency shall sell at the best price obtainable or present for redemption any obligation so purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund as required by this resolution. For the purpose of determining at any given time the balance in any such fund any such investment constituting a part of such fund shall be valued at the cost thereof, adjusted annually for the amortization of discount or the accumulation of premiums.

Section 20. Issuance of Parity Bonds. If at any time the Agency determines that it will not have sufficient moneys available from the sale of the Bonds and other sources to pay the costs of the Redevelopment Project, the Agency may provide for the issuance of, and sell Parity Bonds in such principal amount as it estimates will be needed for such purpose. The issuance and sale of any Parity Bonds shall be subject to the following conditions precedent:

(a) The Agency shall be in compliance with all covenants set forth in this Resolution.

(b) Tax Revenues received or to be received by the Agency based upon the most recent assessed valuation of taxable property in the Redevelopment Project Area, furnished by the appropriate officer of the County of Los Angeles, plus at the option of the Agency, the item hereinafter designated (i) are at least equal to 1.25 times the Maximum Annual Debt Service on all Bonds, Parity Bonds and any loans, advances or indebtedness payable from Tax Revenues pursuant to Section 33670 of the Law, which will be outstanding following the issuance of such Parity Bonds.

(i) The item which may be added for the purpose of applying the above restriction is an allowance for estimated annual additional Tax Revenues to be received by the Agency within any of the three Fiscal Years following the date the computation is made due to increases in assessed valuation of taxable property in the Redevelopment Project Area resulting from construction in progress on the date such computation is made, all as shown by the certificate or opinion of an Independent Redevelopment, Fiscal and Administrative Consultant employed by the Agency. As used herein, "construction in progress" means: (aa) construction for which a building permit has been issued and there is evidence of construction activity on the site, and/or (bb) construction as to which a binding contract therefor, with a 100% faithful performance bond, has been executed between the Agency and a developer deemed financially responsible by an Independent Redevelopment, Fiscal and Administrative Consultant.

(c) The resolution providing for such Parity Bonds shall require that from the proceeds of the sale thereof there shall be deposited in the Special Fund in the Reserve Account a sum sufficient to bring said Reserve Account up to the Maximum Annual Debt Service.

(d) The Parity Bonds shall be serial Bonds and/or term Bonds, the maturities of which shall be on August 1, and the interest thereon shall be payable semiannually on February 1 and August 1, and they shall not be subject to call and redemption prior to maturity before August 1, 1986.

Notwithstanding the foregoing, if there is a material change in the date or dates upon which the Tax Revenues are paid into the Special Fund, and if the Agency is in compliance with all covenants set forth in this Resolution, it may provide for and sell notes, maturing in less than one year (hereinafter referred to as "short term notes"), in anticipation of the receipt of Tax Revenues, for the purpose of enabling the Agency to pay interest on the

Bonds coming due in the same Fiscal Year in which the short term notes are issued; and, in such case, the Tax Revenues received thereafter shall be first applied to the repayment of the principal, premium, if any, and interest on such short term notes.

Section 21. Covenants of the Agency. The Agency shall preserve and protect the security of the Bonds and the rights of the bondholders and defend their rights against all claims and demands of all persons. Until such time as an amount has been set aside sufficient to pay at maturity, or to call prior to maturity, all outstanding Bonds, plus unpaid interest thereon to maturity, or to the call date, the Agency will (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in this resolution or in any Bond issued hereunder, including the following covenants and agreements for the benefit of the bondholders:

1. The Agency covenants and agrees that it will diligently carry out and continue to completion, with all practicable dispatch, the Redevelopment Project in accordance with the Law and the Redevelopment Plan and in a sound and economical manner. The Redevelopment Plan may be amended as provided in the Law but no amendment shall be made which would substantially impair the security of the Bonds or the rights of the bondholders.

2. The Agency covenants and agrees that the proceeds of the sale of said Bonds will be deposited and used as provided in this resolution and that it will manage and operate all properties owned by it and comprising any part of the Redevelopment Project in a sound and businesslike manner.

3. The Agency covenants and agrees that, except as permitted in Section 20 hereof, it will not issue any other obligations payable, principal or interest, from the Tax Revenues which have, or purport to have, any lien upon the Tax Revenues superior to or on a parity with the lien of the Bonds herein authorized and the interest coupons pertaining thereto; provided, however, that nothing in this resolution shall prevent the Agency from issuing and selling pursuant to law refunding bonds or other refunding obligations payable from and having a first lien upon the Tax Revenues if such refunding bonds or other refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding all of the Bonds authorized by this resolution and then outstanding.

4. The Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds issued hereunder together with the premium thereon if any be payable on the date, at the place and in the manner provided in said Bonds and the interest coupons pertaining thereto, solely from the Tax Revenues and other funds as herein provided.

5. The Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Agency or any of the properties then owned by it in the Redevelopment Project Area, or upon the revenues and income therefrom and will pay all lawful claims for labor, material and supplies which if unpaid might become a lien or charge upon any of said properties, revenues or income or which might impair the security of the Bonds or the use of Tax Revenues or other funds to pay the principal of and interest thereon, all to the end that the priority and security of said Bonds shall be preserved; provided that nothing in this paragraph shall require the Agency to make any such payment so long as the Agency in good faith shall contest the validity thereof.

6. The Agency covenants and agrees that it will at all times keep, or cause to be kept, proper and current books and accounts (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Redevelopment Project and the Tax Revenues and other funds herein provided for, and will prepare within 120 days after the close of each of its fiscal years a complete financial statement or statements for such year in reasonable detail covering such Redevelopment Project, Tax Revenues and other funds and certified by a certified public accountant or firm of certified public accountants selected by the Agency, and will furnish a copy of such statement or statements to any bondholder upon written request.

7. The Agency covenants and agrees that if all or any part of the Redevelopment Project Area should be taken from it, by eminent domain proceedings or other proceedings authorized by law, for any public or other use under which the property will be tax exempt, the net proceeds realized by the Agency therefrom will be deposited in the Special Fund and used and applied for the purpose of paying principal of and interest on said Bonds as in this resolution provided.

8. The Agency covenants and agrees that it will not dispose of more than 10% of the land area in the Redevelopment Project Area (except property shown in the Redevelopment Plan in effect on the

date this resolution is adopted as planned for public use, or property to be used for public streets, public off-street parking, sewage facilities, easements or rights of way for public utilities, or other similar uses) to public bodies or other persons or entities whose property is tax exempt if as a result of such disposition the security of the Bonds or the rights of the bondholders would be substantially impaired in the opinion of an Independent Redevelopment, Fiscal and Administrative Consultant.

9. The Agency covenants and agrees that it will protect and defend the security of the bonds and the rights of the bondholders and will take no action to impair the tax exempt status of the bonds.

10. The Agency covenants and agrees that no use will be made of the proceeds of the Bonds which, if such use had been reasonably expected on the date of the Bonds, would have caused the Bonds to be arbitrage bonds. The Agency further covenants that it will comply with the requirements of Section 103(d) of the Internal Revenue Code and the regulations adopted thereunder throughout the term of the issue.

Section 22. Taxation of Leased Property. Whenever any property in the Redevelopment Project Area has been redeveloped and thereafter is leased by the Agency to any person or persons (other than the City of Compton or any public instrumentality thereof) or whenever the Agency leases real property in the Redevelopment Project Area to any person or persons (other than the City of Compton or any public instrumentality thereof) for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property, as required by Section 33673 of the Health and Safety Code, and the lease or contract shall provide (a) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of his or its leasehold interest, and (b) that if for any reason the taxes levied on such property in any year during the term of the lease are less than the taxes which would have been levied if the entire property had been assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within thirty days after the taxes for such year become payable to the taxing agencies and in no event later than the delinquency date of such taxes established by law. All such payments shall be treated as Tax Revenues, and when received by the Agency shall be deposited in the Special Fund.

Section 23. Fiscal Agent and Paying Agents. The Agency hereby appoints United California Bank as Fiscal Agent to act as the agent and depository of the Agency for the purpose of receiving Tax Revenues and other

funds as provided in this resolution, to hold, allocate, use and apply such Tax Revenues and other funds as provided in this resolution, and to perform such other duties and powers of the Fiscal Agent as are prescribed in this resolution.

The Agency may remove the Fiscal Agent initially appointed or any successor thereto and in such case shall forthwith appoint a successor thereto but any successor shall be a bank or trust company doing business and having an office in The City of Los Angeles, having a combined capital and surplus of at least \$50,000,000. The Fiscal Agent herein appointed or any substituted Fiscal Agent may at any time resign as such by writing filed with the Agency in which event the Agency shall forthwith appoint a substitute Fiscal Agent and the resignation shall become effective upon such appointment. In the event that the Fiscal Agent or any successor becomes incapable of acting as such the Agency shall forthwith appoint a substitute Fiscal Agent. Any bank or trust company into which the Fiscal Agent may be merged or with which it may be consolidated shall become the Fiscal Agent without action of the Agency. A Fiscal Agent may become the owner of any of the Bonds authorized by this resolution or any of the coupons appurtenant thereto with the same rights it would have had if it were not the Fiscal Agent.

The Fiscal Agent shall have no duty or obligation whatsoever to enforce the collection of or to exercise diligence in the enforcement of the collection of funds assigned to it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive.

The recitals of fact and all promises, covenants and agreements herein and in the Bonds of said authorized issue contained shall be taken as statements, promises, covenants and agreements of the Agency, and the Fiscal Agent assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this resolution or of the Bonds or coupons, and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon the Fiscal Agent. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

The Agency shall, during the life of the Bonds, provide for Paying Agents, at least one in Chicago, Illinois, and at least one in New York, New York, at the office of which the Bonds and coupons are payable at the option of the holder.

Section 24. **Lost, Destroyed or Mutilated Bonds.** In the event that any Bond or any interest coupon pertaining thereto is lost, stolen, destroyed or mutilated, the Agency will cause to be issued a new Bond or coupon similar to the original to replace the same in such manner and upon such reasonable terms and conditions, including the payment of costs and the posting of a surety bond if the Agency deems such surety bond necessary, as may from time to time be determined and prescribed by resolution. The Agency may authorize such new Bond or coupon to be signed and authenticated in such manner as it determines in said resolution.

Section 25. **Cancellation of Bonds.** All Bonds and coupons surrendered to the Fiscal Agent or any Paying Agent for payment upon maturity or for redemption shall upon payment therefor be cancelled immediately and forthwith transmitted to the Treasurer. All of the cancelled bonds and interest coupons shall remain in the custody of the Treasurer until destroyed pursuant to authorization.

Section 26. **Amendments Without Consent of Bondholders.** The Agency may, from time to time and at any time, adopt such resolutions supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental resolutions shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in this resolution or in any supplemental resolution, or

(b) to grant to or confer upon the Fiscal Agent for the benefit of the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Fiscal Agent.

Section 27. **Amendments with Consent of Bondholders.** This resolution, and the rights and obligations of the Agency and of the holders of the Bonds and coupons issued hereunder, may be modified or amended at any time by supplemental resolution adopted by the Agency with the consent of bondholders holding at least sixty per cent (60%) in aggregate principal amount of the outstanding Bonds, exclusive of Bonds, if any, owned by the Agency or the City of Compton, and obtained as hereinafter set forth; provided, however, that no such modification or amendment shall, without the express consent of the holder or registered owner of the Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date, reduce the premium payable upon redemption thereof, extend its maturity or the times for paying interest thereon

or change the monetary medium in which principal and interest is payable, nor shall any such modification or amendment reduce the percentage of consent required for amendment or modification.

Any act done pursuant to a modification or amendment so consented to shall be binding upon the holders of all of the Bonds and interest coupons, whether such coupons be attached to Bonds or detached therefrom, and shall not be deemed an infringement of any of the provisions of this resolution or of said Law, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this resolution, and after such consent relating to such specified matters has been given, no bondholders or holder of any interest coupon, whether attached to a Bond or detached therefrom, shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the Agency or any officer thereof from taking any action pursuant thereto.

If the Agency shall desire to obtain any such consent, it shall cause notice to be published in a financial newspaper or journal of national circulation published in The City of New York, New York. If any of the Bonds shall be registered, the Agency shall cause the Fiscal Agent to mail a similar notice, postage prepaid, to the respective registered owners thereof at their addresses appearing on the bond registry books.

Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy thereof is on file at the office of the Fiscal Agent for inspection by all bondholders. The Fiscal Agent shall not, however, be subject to any liability to any bondholders by reason of his failure to mail the notice required by this section, and any such failure shall not affect the validity of such supplemental resolution when consented to and approved as provided in this section.

Whenever at any time within one year after the date of the publication of such notice, the Agency shall receive an instrument or instruments purporting to be executed by the holders of not less than sixty per cent (60%) in aggregate principal amount of the Bonds then outstanding (exclusive of Bonds, if any, owned by the Agency or the City of Compton), which instrument or instruments shall refer to the proposed supplemental resolution described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Fiscal Agent, thereupon, but not otherwise, the Agency may adopt such supplemental resolution in substantially such form, without liability

or responsibility to any holder of any Bonds, whether or not such holder shall have consented thereto.

Upon the adoption of any supplemental resolution pursuant to the provisions of this section, this resolution shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this resolution shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 28. **Forms of Bonds.** The bearer Bonds and the interest coupons pertaining thereto and the fully registered Bonds, form of registration to appear on fully registered Bonds and the form of assignment shall be substantially as hereinafter set forth with necessary or appropriate variations, omissions and insertions as permitted or required by this resolution.

[FORM OF BEARER BOND]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON

COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON

1976 WALNUT INDUSTRIAL PARK PROJECT
TAX ALLOCATION BOND

No. _____ \$5,000

The COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON (hereinafter sometimes called the Agency), a public body corporate and politic, duly organized and existing under the laws of the State of California, for value received, hereby promises to pay (but solely from the funds hereinafter mentioned) to the bearer, on August 1, ____ (subject to right of prior redemption as hereinafter stated), upon presentation and surrender of this bond, the sum of FIVE THOUSAND DOLLARS (\$5,000), with interest thereon (payable solely from said funds) from the date hereof at the rate of ____% per annum, interest payable semiannually on the first day of August and the first day of February of each and every year, except that interest for the first year shall be paid on February 1, 1977, until this bond is

paid, upon presentation and surrender of the respective interest coupons hereto attached: provided, however, that if the maturity date of this bond or, if the same is duly called for redemption, then at the date fixed for redemption, funds are available for payment or redemption thereof, as provided in the resolution hereinafter mentioned, this bond shall then cease to bear interest. Both principal and interest are payable in lawful money of the United States of America at the main office of United California Bank, Fiscal Agent for the Agency, in Los Angeles, California, or San Francisco, California, or, at the option of the holder hereof, at the office of any Paying Agent of the Agency in New York, New York, or Chicago, Illinois.

This bond, the interest thereon, or any premium payable upon the redemption thereof, are not a debt of the City of Compton, the State of California or any of its political subdivisions and neither said city, said state nor any of its political subdivisions is liable thereon, nor in any event shall this bond or said interest or premiums be paid out of any funds or properties other than the funds of the Agency hereinafter mentioned. This bond does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing this bond are liable personally on this bond by reason of its issuance.

This bond is one of a duly authorized issue of bonds of the Agency designated "1976 Walnut Industrial Park Project, Tax Allocation Bonds" (hereinafter called "the bonds"), limited in aggregate principal amount to \$10,000,000, all of like tenor (except for bond numbers) and all of which have been issued pursuant to and in full conformity with the Constitution and laws of the State of California and particularly the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) for the purpose of financing a portion of the cost of the redevelopment project above designated, and are authorized by and issued pursuant to the Compton Urban Community Development Commission, Acting as the Community Redevelopment Agency Resolution No. 24 (hereinafter called "the resolution") adopted on February 3, 1976, and all of the bonds are equally secured in accordance with the terms of the resolution, reference to which is hereby made for a specific description of the security therein provided for said bonds, for the nature, extent and manner of enforcement of such security, for the covenants and agreements made for the

benefit of the bondholders, and for a statement of the rights of the bondholders, and by the acceptance of this bond the holder thereof and of the coupons attached hereto assents to all of the terms, conditions and provisions of said resolution. In the manner provided in the resolution, said resolution and the rights and obligations of the Agency and of the holders of said bonds and coupons, may (with certain exceptions as stated in said resolution) be modified or amended with the consent of the holders of at least 60% in aggregate principal amount of outstanding bonds, exclusive of issuer-owned bonds.

The principal of this bond, the interest thereon, and any premium payable upon redemption thereof are secured by an irrevocable and first pledge of, and are payable solely from, the Tax Revenues (as such term is defined in the resolution) and other funds, all as more particularly set forth in the resolution.

This bond is callable and redeemable prior to maturity in accordance with the provisions for redemption endorsed hereon.

This bond and the coupons hereto attached are negotiable instruments and shall be negotiable by delivery. This bond (issued in the form of a bearer bond and herein sometimes referred to as "bearer bond"), is not registrable by endorsement. Fully registered bonds may be exchanged for a like aggregate principal amount of bearer bonds of the same series, interest rate and maturity bearing all unmatured coupons or for a like aggregate principal amount of fully registered bonds of other authorized denominations of the same series and bearer bonds bearing all unmatured coupons may be exchanged for a like aggregate principal amount of fully registered bonds of authorized denomination of the same series.

It is hereby recited, certified and declared that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California.

IN WITNESS WHEREOF, the Community Redevelopment Agency of the City of Compton has caused this bond to be signed on its behalf by its Chairman by his facsimile signature and by its Secretary and the seal of said Agency to be impressed, imprinted or reproduced hereon, and the interest coupons hereto attached to be signed by said

Secretary by his facsimile signature and this bond to be dated the first day of February, 1976.

Chairman of the Community Redevelopment
Agency of the City of Compton

(SEAL)

Secretary of the Community Redevelopment
Agency of the City of Compton

[COUPON FORM]

On the first day of _____, 19__

The COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, subject to the provisions on the reverse hereof, will pay to bearer, at the Coupon No. ____ main office of United California Bank, Fiscal Agent for the Agency, in Los Angeles, California, or San Francisco, California, or, at the option of the holder, at the office of any Paying Agent of the Agency in New York, New York, or Chicago, Illinois, solely out of the funds mentioned in the bond to which this coupon is attached, the sum of \$_____ in lawful money of the United States of America, being the semiannual interest then due on its 1976 WALNUT INDUSTRIAL PARK PROJECT, TAX ALLOCATION BOND, dated February 1, 1976. No. _____

Secretary of the Community Redevelopment
Agency of the City of Compton

[REVERSE OF COUPON]

If the bond to which this coupon is attached is duly called for redemption on a date prior to the maturity date of this coupon, this coupon will be void.

PROVISIONS FOR REDEMPTION

This bond is redeemable at the price, in the manner, subject to the terms and provisions, and with the effect, set forth in the resolution of the Compton Urban Community Development Commission, Acting as the Community Redevelopment Agency of the City of Compton, referred to on the face of this bond, at the option of said Agency, on August 1, 1986, or on any interest payment date thereafter prior to maturity.

[FORM OF FULLY REGISTERED BOND]

Fully Registered Bond

No. R _____

Bearer Bond Nos. _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON

COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF COMPTON

1976 WALNUT INDUSTRIAL PARK PROJECT
TAX ALLOCATION BOND

The COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON (hereinafter sometimes called the Agency), a public body corporate and politic, duly organized and existing under the laws of the State of California, for value received, hereby promises to pay (but solely from the funds hereinafter mentioned) to _____ or registered assigns on August 1, ____ (subject to the right of prior redemption hereinafter mentioned), the principal sum of _____ Dollars (\$ _____), together with interest thereon from the interest payment date next preceding the date hereof (unless the date hereof is prior to February 1, 1977, in which event from February 1, 1976, or unless this bond is dated August 1 or February 1, in which event from the date hereof) at the rate of ____% per annum, interest payable semiannually on the first day of August and the first day of February of each and every year except interest for the first year which shall be paid on February 1, 1977, until this bond is paid; provided, however, that if at the maturity date of this bond or, if the same is

duly called for redemption, then at the date fixed for redemption, funds are available for payment or redemption thereof, as provided in the resolution hereinafter mentioned. this bond shall then cease to bear interest. Both principal and interest are payable in lawful money of the United States of America at the main office of United California Bank, Fiscal Agent for the Agency, in Los Angeles, California, or San Francisco, California, or, at the option of the holder hereof, at the office of any Paying Agent of the Agency in New York, New York, or Chicago, Illinois.

This bond, the interest thereon, or any premium payable upon the redemption thereof, are not a debt of the City of Compton, the State of California or any of its political subdivisions and neither said city, said state nor any of its political subdivisions is liable thereon, nor in any event shall this bond or said interest or premiums be payable out of any funds or properties other than the funds of the Agency hereinafter mentioned. This bond does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing this bond are liable personally on this bond by reason of its issuance.

This bond is one of a duly authorized issue of bonds of the Agency designated "1976 Walnut Industrial Park Project, Tax Allocation Bonds" (hereinafter called "the bonds"), limited in aggregate principal amount to \$10,000,000, all of like tenor (except for bond numbers and dates) and all of which have been issued pursuant to and in full conformity with the Constitution and laws of the State of California and particularly the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California) for the purpose of financing a portion of the cost of the redevelopment project above designated, and are authorized by and issued pursuant to Compton Urban Community Development Commission, Acting as the Community Redevelopment Agency Resolution No. 24 (hereinafter called "the resolution") adopted on February 3, 1976, and all of the bonds are equally secured in accordance with the terms of the resolution, reference to which is hereby made for a specific description of the security therein provided for said bonds, for the nature, extent and manner of enforcement of such security, for the covenants and agreements made for the benefit of the bondholders, and for a statement of the rights of the bondholders, and by the acceptance of this bond the holder thereof and of the coupons attached hereto assents to all of the terms, conditions and provisions of said resolution. In the manner

provided in the resolution, said resolution and the rights and obligations of the Agency and of the holders of said bonds and coupons, may (with certain exceptions as stated in said resolution) be modified or amended with the consent of the holders of 60% in aggregate principal amount of outstanding bonds, exclusive of issuer-owned bonds.

The principal of this bond, the interest thereon, and any premium payable upon redemption thereof are secured by an irrevocable and first pledge of, and are payable solely from, the Tax Revenues (as such term is defined in said resolution) and other funds, all as more particularly set forth in the resolution.

This bond is callable and redeemable prior to maturity in accordance with the provisions for redemption endorsed hereon.

This bond is issued in fully registered form (herein sometimes referred to as "fully registered bond") and is non-negotiable. This bond may be exchanged for a like aggregate principal amount of bearer bonds of the same series, interest rate and maturity bearing all unmatured coupons or for a like aggregate principal amount of fully registered bonds of other authorized denominations of the same series, interest rate and maturity and bearer bonds bearing all unmatured coupons may be exchanged for a like aggregate principal amount of fully registered bonds of authorized denominations of the same series, interest rate and maturity.

This bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the main office of the Fiscal Agent in the City of Los Angeles, California, but only in the manner, subject to the limitations and upon payment of the charges provided in the resolution, and upon surrender and cancellation of this bond. Upon such transfer a new registered bond of authorized denomination or denominations for the same aggregate principal amount of the same series, interest rate and maturity will be issued to the transferee in exchange herefor. The Agency and the Fiscal Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Agency and the Fiscal Agent shall not be affected by any notice to the contrary.

It is hereby recited, certified and declared that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California.

This bond shall not be entitled to any benefit under the resolution, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Fiscal Agent.

IN WITNESS WHEREOF, the Community Redevelopment Agency of the City of Compton has caused this bond to be signed on its behalf by its Chairman by his facsimile signature and by its Secretary and the seal of said Agency to be impressed, imprinted or reproduced hereon, and the interest coupons hereto attached to be signed by said Secretary by his facsimile signature and this bond to be dated the _____ day of _____, 19____.

Chairman of the Community Redevelopment
Agency of the City of Compton

(SEAL)

Secretary of the Community Redevelopment
Agency of the City of Compton

[FORM OF CERTIFICATE OF AUTHENTICATION
ON FULLY REGISTERED BONDS]

This is one of the bonds described in the within-mentioned resolution.

UNITED CALIFORNIA BANK,
Fiscal Agent

By _____

[FORM OF ENDORSEMENT ON REGISTERED BONDS]

This registered bond, issued in fully registered form without coupons, is issued in lieu of or in exchange for bearer bond(s) of this issue of the denomination of \$5,000 and bearing the bond numbers shown on the face hereof, each not contemporaneously outstanding, aggregating the face value hereof; and bearer bonds of this same issue and of the denomination of \$5,000 and bearing the numbers above referred

to, have been reserved and will be issued in exchange for this bond in the manner, with the effect and under the terms and conditions stated on the face of the bond and in the resolution referred to therein.

[FORM OF ASSIGNMENT]

For value received _____ hereby sells, assigns and transfers unto _____ the within-mentioned bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

PROVISIONS FOR REDEMPTION

This Bond is redeemable at the price, in the manner, and subject to the terms and provisions, and with the effect, set forth in the resolution of the Compton Urban Community Development Commission, Acting as the Community Redevelopment Agency of the City of Compton, referred to on the face of this bond, at the option of said Agency, on August 1, 1986, or on any interest payment date thereafter prior to maturity.

Section 30. **Proceedings Constitute Contract.** The provisions of this resolution, of the resolutions providing for the sale of the Bonds and awarding the Bonds and fixing the interest rate or rates thereon, and of any other resolution supplementing or amending this resolution and adopted prior to the issuance of the Bonds hereunder, shall constitute a contract between the Agency and the bondholders and the provisions thereof shall be enforceable by any bondholder for the equal benefit and protection of all bondholders similarly situated by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State of California in any court of competent jurisdiction. Said contract is made under and is to be construed in accordance with the laws of the State of California.

No remedy conferred hereby upon any bondholder is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law of the State of California. No waiver of any default or breach of duty or contract by any bondholder shall affect any subsequent default or breach of duty or contract or shall impair any rights or remedies on said subsequent default or breach. No delay or omission of any bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed as a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the bondholders may be enforced and exercised as often as may be deemed expedient. In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and should said suit, action or proceeding be abandoned, or be determined adversely to the bondholders, then, and in every such case, the Agency and the bondholders shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this resolution and supplementary resolutions thereto shall be irrevocable, but shall be subject to modification or amendment to the extent and in the manner provided in this resolution, but to no greater extent and in no other manner.

Section 31. **Defeasance.** If the Agency shall pay or cause to be paid, or shall have made provision to pay, or there shall have been set aside in trust funds to pay, to the holders of the Bonds and coupons, the principal and interest, and premium, if any, to become due thereon, then the pledge of the Tax Revenues and all other rights granted hereby, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or coupons for the payment and discharge of which upon maturity, or upon redemption prior to maturity, provision has been made through the setting apart in a reserve fund or special trust account created pursuant to this resolution or otherwise to insure the payment thereof, of money sufficient for the purpose or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account of moneys sufficient therefor, including, but not limited to, interest earned or to be earned on direct obligations of the United States of America or bonds or other obligations for which the full faith and credit of the United States of America are pledged for the payment of principal and interest, or other investments which are authorized investments of the Agency, shall, as provided herein,

no longer be deemed to be outstanding and unpaid; provided, however, that if any such Bonds are to be redeemed prior to the maturity thereof, the Agency shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly given or provision made for the giving of such notice; and provided, further, that, if the maturity or redemption date of any such Bond shall not have arrived, provision shall have been made by the Agency by deposit, for the payment to the holder of any such Bonds and coupons, upon surrender thereof, whether or not prior to the maturity or redemption date thereof, of the full amount to which they would be entitled by way of principal, premium, if any, or interest to the date of such maturity or redemption, including in the computation of said full amount any interest to be earned by way of investment of said deposit, as provided below, and provision shall have been made by the Agency, for the publication, in a financial newspaper or journal published in New York, New York, of a notice to the holders of such Bonds and coupons that such moneys are available for such payment.

Moneys held for payment or redemption in accordance with the provisions of this section shall be invested in direct obligations of the United States of America, or bonds or other obligations for which the full faith and credit of the United States of America are pledged for the payment of principal and interest, or other investments which are authorized investments of the Agency, to mature or be withdrawable, as the case may be, not later than the time when needed for such payment or redemption. Net interest earned on such investments may be paid to the Agency or may be used for the payment or redemption of Bonds and to the extent permitted by law may be considered as adequate provision for payment.

Section 32. **Severability.** If any covenant, agreement or provision, or any portion thereof, contained in this resolution, or if the application thereof to any person or circumstances, is held to be unconstitutional, invalid or unenforceable, the remainder of this resolution and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected, and this resolution and the Bonds issued pursuant hereto shall remain valid and the bondholders shall retain all valid rights and benefits accorded to them under this resolution and the Constitution and laws of the State of California.

If any provision relating to the duties of the Fiscal Agent are held to be unconstitutional, invalid or unenforceable, said duties shall be performed by the Treasurer.

R 35

Section 33. **Effective Date.** This resolution shall take effect upon adoption.

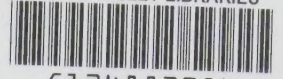
PASSED AND ADOPTED this 3rd day of February, 1976.

Chairman of the Community Redevelopment Agency
of the City of Compton, California

Secretary

(Seal)

U.C. BERKELEY LIBRARIES



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